

Draft Amendments

~~DELETIONS~~ADDITIONS**CITATION HEADING**

CITATION Narrative Text. Citation

NEW **New text, policy, or action.**

CITATION *Policy Element Abbreviation-Section Number.Policy Number: Policy Name*

CITATION *Action Element Abbreviation-Section Number.Action Letter: Action Name*

Completed Action Text (at end of action and before citation): **Completed – See Implementation Table.**

700 Overview

700.1 The Economic Development Element addresses the future of **Washington, DC's** ~~the District's~~ economy and the creation of economic opportunity for current and future District residents. It includes strategies to sustain Washington's major industries, diversify our economy, accommodate job growth, maintain small businesses and neighborhood commercial districts, and increase access to employment for District residents. 700.1

700.2 The critical economic development issues facing **Washington, DC** ~~the District of Columbia~~ are addressed in this Element. These include:

- **Seeking to ensure that prosperity is equitably shared by addressing the disparities that exist across race and geography**
- **Growing and diversifying Washington, DC's economy**
- ~~Defining the District's role in the national and regional economies~~
- Increasing ~~career job~~ opportunities **and the workforce development**

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system's effectiveness for ~~District~~ residents most in need

- ~~Identifying locations for future job growth~~
- Expanding opportunities for small, local, and minority businesses
- Responding to the impacts of technology advancements on employment and businesses
- ~~Enhancing and revitalizing the city's shopping districts.~~ 700.2

NEW

Since the Plan was adopted in 2006, Washington, DC has achieved success in:

- Growing the tax base
- Increasing jobs across a wide range of industries
- Catalyzing economic development through reuse of large sites across the city
- Improving the District's market position in the regional economy
- Revitalizing commercial corridors
- Expanding workforce development programs that prepare residents for in-demand occupations
- Increasing support for entrepreneurs, including greater access to capital
- Deploying creative placemaking initiatives that advanced community building, urban design, and retail revitalization
- Attracting, nurturing and retaining growth in innovation driven fields
- Growing local industries in the maker economy

NEW

Since 2006, Washington, DC's economy has expanded and diversified with growth in a range of sectors that are distributed across the central employment area and along commercial corridors. Additionally, the District has been a national epicenter in the changing nature of work, where the

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increasing prevalence of teleworking, independent contracting, and gig work has increased commercial activity in both formal and informal workspaces. As a result, the city's economy is strong and growing, generating the needed tax base and private investment to address many long-standing economic challenges. However, the District's economic growth contributes to increases in property values that present challenging barriers for both established and emerging businesses, which can be particularly severe among small business. Additionally, more work remains to ensure that all residents have access to retail, commercial facilities and job opportunities with career pathways. The District is striving to ensure that all residents are able to enjoy the benefits of the District and the region's economic growth.

700.3

Economic development is about more than simply increasing the number of jobs and improving the District's finances. It is also about ensuring that all residents have opportunities to thrive economically. This means fostering good quality jobs with career paths to higher wages and connecting more residents to those good quality jobs through better preparation ~~better preparing District residents to fill those jobs.~~ This is especially true for residents who have traditionally faced greater challenges accessing the benefits of the city and the region's economic growth, such as low-income and minority residents. Economic development ~~It is about spreading harnesses~~ the benefits of our strong regional economy ~~more equitably to grow the District's economy equitably. and providing career advancement opportunities for working parents, young adults, and others.~~ Economic development strategies are also critical to improving the quality of life in our neighborhoods, and bringing retail, shopping, restaurants, and basic services to communities that ~~do not have~~ are underserved by these amenities today. 700.3

700.4

~~In recent decades~~ Prior to 1998, the District ~~has~~ faced chronic negative economic trends that ~~have~~ limited its ability to meet the needs of many residents. These trends ~~include~~ included population loss, job decline, high unemployment and poverty rates, fiscal insolvency, and the loss of spending power to the suburbs. ~~Economic indicators also point to growing geographic disparities, with areas in the northwest portion of the city particularly advantaged and areas east of the Anacostia River particularly disadvantaged. While there have been positive signs on many fronts since 2000, deepened.~~ Today, Washington, DC is financially healthy and experiencing sustained population and job growth. However, the historic east-west socio-economic divide in the District ~~city~~ has become more stark. While many neighborhoods are becoming more diverse socio-

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economically, the lowest income residents, who are also predominately Black, have become increasingly concentrated in many southern and eastern communities. Additionally, the same residents are more likely to have lower levels of educational attainment, which corresponds to much lower labor force participation and higher unemployment rates. 700.4

700.5

~~In 1950, the District accounted for nearly 75 percent of the metropolitan area's employment. By 2000, it accounted for less than 25 percent. While these statistics appear startling, the real story is the growth of the regional economy rather than the decline of the District's. In fact, the number of jobs in the District has remained fairly constant over the decades. In 1980, there were 666,000 jobs and in 2000, there were about 672,000 jobs. As shown in Figure 7.1, employment in the District did decline from 1990 to 1998, but it has been growing ever since.~~ 700.5

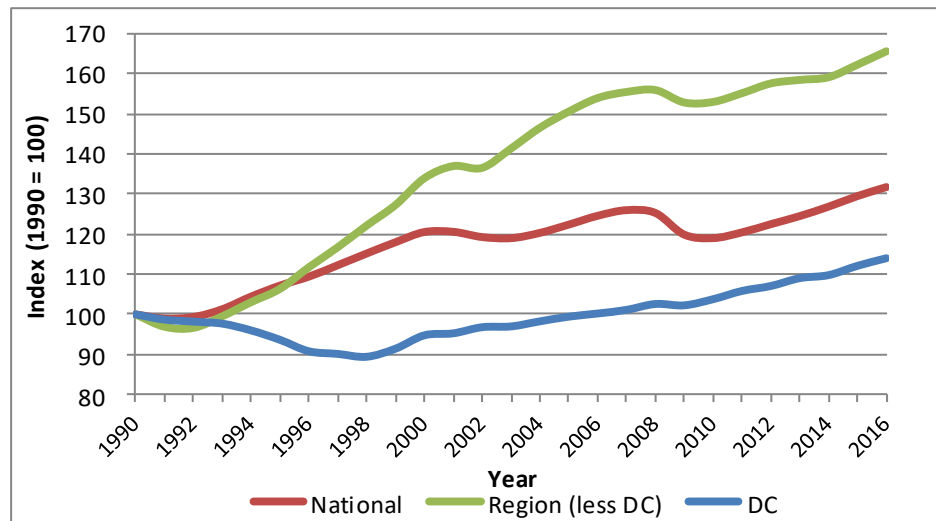
NEW

In 1950, Washington, DC accounted for nearly 75 percent of the metropolitan region's jobs. By 2000, the District's share of the region's jobs had fallen to less than 25 percent. Figure 7.1 depicts a new wave of job growth that began in 1998. This wave increased the number of jobs in the District by 126,000 from 672,000 in 2000 to 798,000 by 2015. Much of this growth occurred in the recovery from the 2008 recession when the city's net employment growth increased from an average of 7,000 jobs per year to over 10,000 jobs per year. As a result of this growth, the District has begun regaining a larger share of the metropolitan region's total employment. By 2018, Washington, DC accounted for approximately 30 percent of the metro area's jobs. This is an important economic shift following the 1980s and 1990s when the District experienced little to no job growth.

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Figure 7.1: Employment in the District



Source: BLS, DC Office of Planning, 2016

Note: Chart shows employment indexed to its 1990 value. Each subsequent value is percentage of the 1990 value.

http://planning.dc.gov/planning/frames.asp?doc=/planning/lib/planning/2006_revised_comp_plan/7_econdevelopment.pdf

700.7

The economic paradoxes of the District of Columbia have been widely documented. The city has more jobs than residents but **still has** an unemployment rate that is **twice more than 50 percent higher than** the regional average. Jobs in the District provide some of the highest wages in the country, but over **20 16** percent of the city's residents live below the poverty line. The region ~~has the fastest annual job growth rate in the country (2.3 percent)~~, **has had strong and sustained economic growth, adding an average of more than 41,000 jobs a year since 2000.** ~~Yet~~ **Despite sustained job growth locally and regionally, many District residents continue to face long-term unemployment due to persistent education and skills gaps.** ~~in the city is rising.~~ **Additionally, billions of dollars of income are generated in the District, the majority of which the city is unable to tax because its earners live in other states. This limitation adds to the District's challenge harnessing its economic growth to invest in residents with the greatest need.** 700.7

700.8

Fortunately, ~~some many~~ **some many** of the negative trends of the past ~~are showing signs of reversal~~ **have begun to reverse course.** ~~Between 2000 and 2005, the District captured a much larger share of regional employment growth than it did in the 1980s and 1990s.~~ **It Washington, DC is strengthening its position** ~~positioned~~ at

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the center of ~~a~~ the regional economy, which had the fifth greatest number of jobs in the country with more than 3.2 million jobs in 2017.~~that is strong and growing; total employment in the metropolitan area is approaching 3 million. ,the highest of any region in the country with a comparably sized central city.~~ Since 1997, the District has seen significant private-sector employment growth, particularly in ~~high-value~~ industries that generate large amounts of secondary employment through business-to-business transactions that facilitate the delivery of goods and services to customers ~~such as legal services, technology consulting, and similar sectors.~~ The growth has occurred in industries, such as architectural and engineering services, advertising, and public relations that also have higher than typical average compensation, which generates notable indirect employment growth through consumer spending in sectors, such as the accommodations and food services. ~~It is outperforming the region in legal services and scientific research and development.~~ 700.8

700.9

The District's recent rapid and sustained population ~~housing boom and~~ growth has contributed to ~~increase higher in~~ property values ~~has and~~ increased personal wealth for many long-time ~~District~~ homeowners. The growth has also ~~and substantially enhanced~~ alleviated the District's financial limitations through increased tax ~~city~~ revenues. For example, adjusted for inflation, the value of all the commercial properties in the District more than doubled between 2006 and 2018, which contributed to an 85 percent increase in commercial property tax assessments over that time period.

Additionally, downtown retail has ~~begun to rebound~~ rebounded after years of decline, and neighborhood commercial ~~shopping~~ districts like U Street NW, 14th Street NW, and Barracks Row are thriving again. After decades in which retailers shunned areas east of 16th Street NW, new ~~supermarkets~~ retail and fresh food options are being developed in the eastern half of the city including east of the Anacostia River, national/brand tenants are clustered in ~~arriving~~ in Columbia Heights and Fort Lincoln, and a thriving commercial and cultural district ~~is emerging~~ has emerged along H Street NE.

Tourism has also rebounded; in 2017 the District hosted nearly 23 million visitors. Those visitors were accommodated by a growing supply of hotel rooms that totaled 32,000 rooms in 2018 with 2,500 ~~since 2001 and 1,200 hotel rooms~~ additional rooms under construction and another 6,100 in pre-development. The sustained expansion of hotel rooms is particularly notable because it has coincided with the introduction of short-term rental housing

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options, which significantly increased lodging options for visitors. 700.9

- 700.10 **By 2045** ~~Over the next twenty years~~, the District is projected to add ~~125,000~~ **247,100** jobs. ~~The~~ **One of the most significant economic challenges** ~~single-greatest economic development challenge facing the city~~ will be ~~to link~~ **filling** more of these jobs ~~to-with~~ District residents. This will not only create wealth and opportunity within **Washington, DC** ~~the city~~, it will offset commuter traffic, reduce social service expenses, and improve the quality of life for thousands of households. Confronting this challenge successfully will require a multi-pronged strategy to **continue improving** ~~improve the our~~ educational system, **increasing** ~~increase~~ **career vocational** training, **strengthening** ~~strengthen~~ workforce preparedness, **growing partnerships with employers**, and **improving** ~~improve~~ the regional transportation network to support job access. 700.10

701 Economic Development Goal

- 701.1 The overarching goal for economic development in the District is:

Drive inclusive economic expansion and resilience by growing the economy and reducing employment disparities across race, geography and educational attainment status. ~~Strengthen the District's by sustaining its core industries, attracting new and diverse industries, accommodating future job growth, fostering the success of small businesses, revitalizing neighborhood commercial centers, improving resident job skills, and helping a greater number of District residents find and keep jobs in the Washington regional economy.~~ 701.1

702 ED-1 Defining Our Economic Future

- 702.1 The District economy is underpinned by a handful of “core” industries, including government (particularly federal government); ~~education~~ **educational services**; professional, **technical and scientific** services; administrative support **services**; **religious, grantmaking, civic, professional, and similar organizations**; ~~membership associations~~, **accommodation and food services**; arts, **entertainment and recreation**; ~~tourism~~, and health care **and social assistance**. These ~~eight~~ ~~seven sectors~~ **industries** account for **more than 85 percent** of ~~the~~ jobs in the city and distinguish the District’s economy **in the regional and national economies** ~~from the more diverse economies of the surrounding region and nation~~. Economic development strategies must explore ways to sustain these

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industries while leveraging them to attract new businesses and jobs. Diversifying the economic base through focused support of fields with high-growth opportunities can expand job opportunities for residents and can increase the District's resilience against ~~help the District fare better during~~ economic downturns. 702.1

- 702.2 The District's ~~city's~~ economy is diversifying but still dominated by the government sector. More than thirty percent ~~one-third~~ of the jobs ~~in the city~~ are public sector jobs, with the federal government directly accounting for approximately ~~28~~ 26 percent of total employment and local government jobs with District of Columbia agencies accounting for approximately five percent in 2016. The federal government generates ~~is also directly or indirectly responsible for~~ many of the District's private sector jobs, because it spends heavily on contracting and procurement from local business.

NEW

In the 1980s, federal procurement spending emerged as a major component of the federal government's budget as an approach to reduce its workforce by outsourcing work to contractors on a competitive basis. Federal procurement spending in the metropolitan region increased steadily between 1980 and 2010 when it peaked at \$81.5 billion, after exceeding spending on the federal payroll in 1996. Since 2010, federal procurement in the region has declined by approximately ten percent. However, most of the decline regionally has been to spending in Virginia. As of 2016, procurement spending in the District has remained flat since 2010 at \$20.5 billion. Additionally, the federal government's employment in the District only grew by three percent from 192,800 in 2006 to 199,300 employees in 2016. The DC Department of Employment Services (DOES) industry projections indicate that the federal government is not likely to increase its employment in Washington, DC between 2016 and 2026.

NEW

These trends of flat or declining federal employment and procurement in the District are significant because historically, federal spending and employment have accounted for the overwhelming majority of the region's economic growth. This shift marks a major economic transition following generations of sustained growth propelled by the federal government's operations. ~~This has always been the case in Washington, but has become even more so since the federal downsizing of the 1990s. As government employment declined during the 1990s, private employment growth was fueled by government outsourcing and contracting.~~ 702.2

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702.3 Table 7.1 shows the District's top 20 private **industries** ~~industry sectors~~ in ~~2004~~ **2017 ranked by numeric change in jobs between 2004 and 2017** ~~using 3-digit NAICS codes. These 20 industries represent 57 percent of all jobs in the city, and 87 percent of the private sector jobs.~~ **Over this period, employment has grown dramatically but the same industries still dominated the District's economy, representing 60 percent of all jobs and 89 percent of private sector jobs in the city.** 702.3

NEW Table 7.1: 20 Largest Private Sector Industries in the District of Columbia, ~~2004~~ **2004 – 2017 Ranked by Total Employment Change** 702.4

NAICS Code	Industry	2004	2017	Numeric Change	Percent Change
722	Food services and drinking places	30,483	52,577	22,094	72.48%
541	Professional, scientific and technical services	93,841	116,041	22,200	23.66%
813	Religious, grantmaking, civic, professional, and similar organizations	44,078	57,548	13,470	30.56%
611	Educational services	35,798	45,892	10,094	28.20%
621	Ambulatory healthcare services	10,215	20,479	10,264	100.48%
622	Hospitals	22,466	26,917	4,451	19.81%
561	Administrative and support services	41,415	46,387	4,972	12.01%
624	Social assistance	10,696	13,809	3,113	29.10%
238	Specialty trade contractors	5,963	8,490	2,527	42.38%
531	Real estate	9,301	11,661	2,360	25.37%
445	Food and beverage stores	5,483	7,917	2,434	44.39%
711	Performing arts, spectator sports, and related industries	2,759	4,936	2,177	78.91%
812	Personal and laundry services	5,915	7,965	2,050	34.66%

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623	Nursing and residential care facilities	7,372	7,482	110	1.49%
814	Private households	4,315	5,216	901	20.88%
515	Broadcasting, except Internet	4,374	5,234	860	19.66%
721	Accommodations	14,795	15,111	316	2.14%
999	Unclassified	6,106	2,151	-3,955	-64.77%
522	Credit intermediation and related activities	8,529	7,209	-1,320	-15.48%
511	Publishing industries, except internet	9,180	5,563	-3,617	-39.40%
All other private sector Jobs		54,339	56,188	1,849	3.40%
Total Private Employment		429,176	524,773	95,597	22.27%

Source: U.S. Bureau of Labor Statistics, Covered Employment and Wages (CEW) series; DC DOES Current Employment Survey (CES) series

NAICS = North American Industry Classification System

Note: Total retail employment (which is comprised of several NAICS Industries) is estimated at 20,000 ~~17,500~~

- 702.5 The District's largest private sector industry—~~accounting for more than one in five private sector jobs~~—is Professional, Scientific and Technical Services, which accounted for approximately thirty percent of the city's private sector employment in 2017. This category includes lawyers, architects, engineers, and ~~accountants~~ ~~consultants~~. The second largest category, Religious, Grantmaking, Civic, Professional, and Similar Organizations ~~Membership Associations and Organizations~~, includes the many industry, trade, and interest groups in the city. The Food Services and Drinking Places industry had some of the greatest numeric and percentage increase in employment between 2004 and 2017. It added over 22,094 jobs, jumping from the city's 5th largest industry by employment in 2004 to the 3rd largest in 2017. ~~Close behind are Administrative and Support Services which include all manner of services supporting the office sector, from secretaries to janitors.~~ Other key sectors are Educational Services

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~~(8.3) and Ambulatory Healthcare Hospitals, which added 10,264 and 4,451 jobs respectively. (5.2 %). The tourism “cluster” includes Food Services and Drinking Places, which together account for over 10 percent of private sector employment. 702.5~~

NEW

Callout Box: The sharing economy, which includes businesses that provide shared use goods and services, such as mobility, housing, work space, and equipment, is expanding and driving innovation in business practices across numerous industries. Its most visible impact has been on transportation through services, such as car-sharing, on-demand ride hailing, and bike-sharing. However, it also includes business cooperatives, community farms and membership workspaces.

The sharing economy has the potential to reshape the District’s built environment and infrastructure by shifting where work occurs and how people move. However, many of the people who deliver the goods and services in the sharing economy are employed as independent contractors and there are significant concerns related to worker compensation, benefits, retirement planning, and career stability.

702.6

~~The number of jobs in the District has been growing at the rate of about one-percent a year since 2000, with a net gain of 32,000 jobs between 2000 and 2005. In 2006, forecasts by According to the District Department of Employment Services DOES, and research organizations like the Center for Regional Analysis at George Mason University, anticipated the District would add this rate of growth will continue for the next 10 years. About approximately 7,000 new jobs a year on average are anticipated between 2005 and through 2015. Beyond 2015, the pace is expected to slow to about 5,000 new jobs a year. These forecasts accurately projected the total amount of jobs that were created across this period.~~

The DC Office of Planning anticipates job growth to maintain a long-term average of approximately 9,000 per year through 2035. Based on available data, DOES expects nearly all sectors of the economy are projected to grow during the next decade, but certain retail segments closely connected to neighborhood commercial corridors, such as clothing, furniture, and electronics are forecast to contract. These contractions are associated with the rise of online retailing. 702.6

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703 ED-1.1 ~~Stabilizing and~~ Diversifying Our Economic Base

703.1 The District can do more to leverage the strengths of its economy and the region's skilled, ~~and~~ highly educated labor force. It already has an enviable mix of assets that include the national capital, high-performing industries, numerous colleges and universities, amenity-rich neighborhoods, and a **robust multi-modal** transportation system that links the entire metropolitan region. To increase its competitiveness ~~within the regional economy~~, the District will need to further diversify its economy in sectors that have growth potential ~~and/or are underperforming~~. 703.1

703.2 **The District's economic growth strategy emphasizes sustaining established industries as well as growing and supporting six cross-cutting industry clusters.** ~~Several industries that do not appear in Table 7.1 may become more important to the District's economy in the future. For example, Supporting and enhancing core industries facilitates future growth that strengthens the District's competitive advantage. the District has a burgeoning "knowledge" economy. Established fields include comprised of the federal government, professional services, universities, think tanks, broadcasting, publishing, internet media and communications companies, hospitality and tourism providers, and data processing design firms. The District is already outperforming the region in many of these industries and it can and should do more to enhance their competitiveness in the future. Expanding knowledge-based industries can position the District to capture a larger share of federal "spin-off" benefits, particularly given its already strong competitive edge in the technology sectors.~~ 703.2







NEW **Beyond the established fields, the District will also build economic resilience by supporting and growing cross-cutting industry clusters where the District has a competitive advantage nationally. Economic resilience is the ability for the District government in partnership with businesses and the workforce to mitigate the impacts of chronic stressors, such as high unemployment as well as shocks, such as the sudden loss of economic activity due to a recession or technology changes. These clusters include: the impact economy, smart cities and civic solutions, professional services innovation, hospitality innovation, security technology, as well as data science and analytics. By supporting these forward-looking industry clusters, the District is seeking diversify the District's economy.**

See also the Infrastructure Element for additional information on smart cities.

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NEW

Figure 7.2 Cross-Cutting Industry Clusters Identified by the 2016 DC's Economic Strategy
(certified as the Comprehensive Economic Development Strategy or CEDS by the U.S. Economic Development Administration in August 2017)

Opportunity Area	Definition	Examples
 Impact Economy	<ul style="list-style-type: none"> Organizations and private entrepreneurs in the ecosystem of private companies, non-profits, and foundations whose missions involve addressing social and public sector challenges 	<ul style="list-style-type: none"> Social enterprises Social impact consulting Philanthropic foundations Advocacy
 Smart Cities & Civic Solutions	<ul style="list-style-type: none"> Innovation in urban infrastructure, transportation, sustainability, including "smart cities" technologies 	<ul style="list-style-type: none"> Autonomous vehicles 'Smart city' sensors, integration, and data analysis Green building design and construction
 Professional Services Innovation	<ul style="list-style-type: none"> Innovations, including technology, that augment or disrupt the professional services sector 	<ul style="list-style-type: none"> Enterprise technology and integration of back-end functions Applications that improve client experience
 Hospitality Innovation	<ul style="list-style-type: none"> Innovations, including technology, services and entrepreneurship, that augment or disrupt industries within the hospitality sector 	<ul style="list-style-type: none"> Hospitality apps Food trucks, food incubators Event tech
 Security Technology	<ul style="list-style-type: none"> Cybersecurity technologies (protecting networks from attack and preventing unauthorized access to data) Physical access and identification technologies 	<ul style="list-style-type: none"> Threat monitoring and detection Incident response Digital identification Physical identification (e.g. biometrics)
 Data Science and Analytics	<ul style="list-style-type: none"> Big data analysis, management and policy, particularly in areas where data is sensitive 	<ul style="list-style-type: none"> Electronic health record analysis Financial predictive analytics Credit data analysis

703.3 The District is also a center of international business **and foreign direct investment**. The foreign missions and offices of global economic organizations such as the World Bank Group and the IMF represent a major economic sector in their own right ~~with a cumulative direct economic impact in the region of over a billion dollars, and much more in terms of contracting~~. More importantly, the concentration of missions and institutions makes the District a unique place to conduct business for companies engaging in international investment or transactions. 703.3

703.4 Tables **7.1 and 7.2** ~~and 7.3~~ provide some indication of where the District's economy may be headed. **Since 2004 four sectors: professional, scientific and technical services; accommodation and food service; health care and social assistance; and educational services have produced more than eighty percent of new private sector jobs in the District. Looking forward to 2026, the DOES 2016 industry projections indicate that these four sectors are likely to continue producing the vast majority of job growth over the next ten years.**

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Among these sectors, growth in the professional, scientific and technical services segment is particularly beneficial because it is one of the District's strongest domestic and international export industries. Exports are important because they help drive higher rates of economic growth by capturing spending from other economies.

Between ~~1999~~ **2016** and ~~2004~~ **2026**, several high growth industries including Computer Systems Design and Related Services, **Management Scientific and Technical Consulting Services, Ambulatory Healthcare Services, Food Services and Drinking Places** ~~exceeded all other sectors of the economy in both the amount and rate of growth~~ **are anticipated to drive growth, offsetting stagnant federal government employment and procurement as well as losses in declining industries, such as travel arrangement and reservation services.** ~~The industry is expected to be among the fastest growing sectors of the local economy in the future. Legal services and restaurants, also leaders during the past five years, are poised for significant gains.~~ 703.4

703.5 ~~Table 7.2: High-Growth Industries, District of Columbia, 1999-2004~~ — 703.5

~~http://planning.dc.gov/planning/frames.asp?doc=/planning/lib/planning/2006_revised_comp_plan/7_econdevelopment.pdf~~

703.6 The 15 industries listed in Table ~~7.2~~ **7.3** represent more than half of the job growth expected in the city during the 10-year period between ~~2002~~ **2016** and ~~2012~~ **2026**. Some of the gains reflect continued growth of core industries like ~~the federal government~~ **professional, scientific and technical services, universities health care and social assistance, hotels, and non-profits food services and drinking places**. Other gains are in emerging sectors which show promise for even greater expansion ~~in the future~~. 703.6

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NEWTable ~~7.2~~ **7.3**: Top 15 Projected High Growth Industries, District of Columbia, ~~2002-2012~~ **2016-2026**

Industry	New Jobs Projected
Professional, Scientific, and Technical Services	14,450
Educational Services	7,283
Ambulatory Health Care Services	7,214
Administrative and Support Services	6,337
Management, Scientific, and Technical Consulting Services	5,438
Computer Systems Design and Related Services	5,433
Food Services and Drinking Places	4,886
Home Health Care Services	4,187
Social Assistance	3,680
Colleges, Universities, and Professional Schools	3,103
Elementary and Secondary Schools	3,084
Religious, Grantmaking, Civic, Professional, and Similar Organizations	2,138
Employment Services	2,109
Hospitals	1,943
Total Federal Government Employment	1,785

http://planning.dc.gov/planning/frames.asp?doc=/planning/lib/planning/2006_revised_comp_plan/7_econdevelopment.pdf

703.8

~~Based on regional and national economic data and indicators, opportunities exist to more aggressively market the District as a corporate headquarters location, grow the building trade and construction industries, and expand information-based industries such as broadcast media. There are also untapped opportunities to grow “backward-linked” or supply industries, such as the laundry and catering firms that serve the city’s hotels, and “forward-linked” or supplied industries, such as the technology firms that benefit from local university research. The District’s retail sector also holds the potential for significant job growth.~~ 703.8

NEW

In 2018, the District’s economy had been growing by employment and output for twenty years. Long-standing core sectors have propelled economic growth along two dimensions, expansion of established lines of business and the addition of new lines of business. Strength in established sectors has positioned the District to take advantage of growing segments in the nation’s

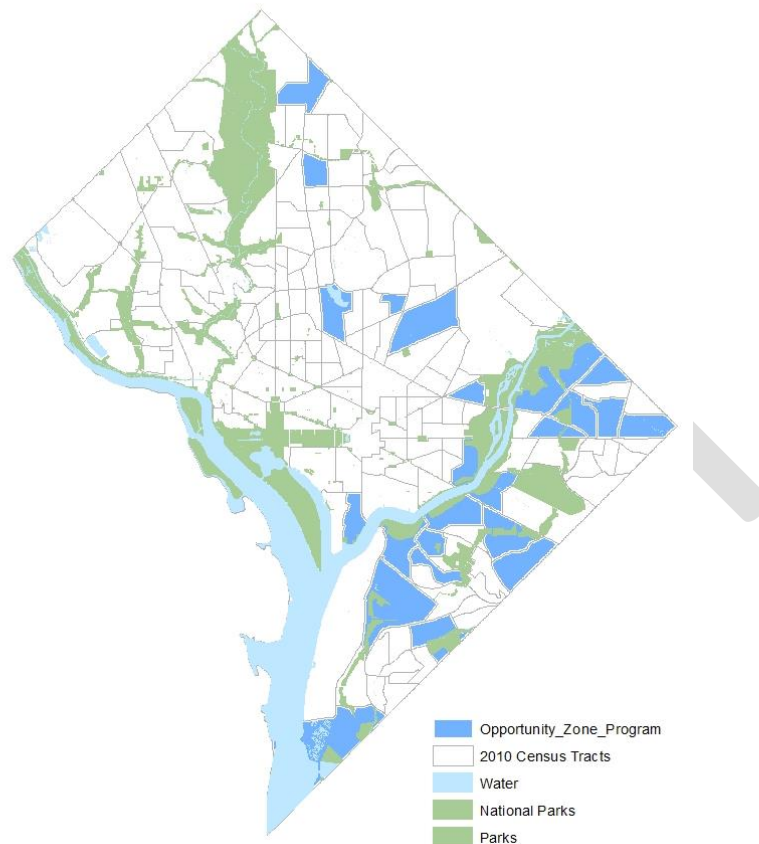
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economy by specializing in rapidly growing technology-driven and enabled fields, such as cyber security and coworking. Through continued growth in core sectors and emerging industries, the District will continue building a resilient and inclusive economy.

NEWCallout Box: Opportunity Zones

In 2017, a new federal tax law, the Tax Cut and Jobs Act, included a tax incentive program called Opportunity Zones. The program provides tax benefits for investors with capital gains that invest through Qualified Opportunity Funds in real estate and operating businesses located in Census tracts designated as Opportunity Zones. The tracts nominated by each state, the District of Columbia, and US territories were certified by the US Treasury Department as Opportunity Zones, which are eligible to receive investments from the Qualified Opportunity Funds. This program is unproven, but it could be a useful tool in attracting investment in communities that have historically been overlooked by many investors. The District is focused on aligning Opportunity Zones investments with community priorities and supporting community-driven projects in leveraging the incentive.

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NEW**Map 7.1: Federally Opportunity Zones within the District of Columbia****(Source: DC GIS, 2019)****Note: As of 2019, the Opportunity Zone designations are set to expire December 21, 2028.**

703.9

Policy ED-1.1.1: Core Industries

Continue to support and grow the District's core industries, particularly the federal government, professional and **business, scientific and technical** services; ~~membership associations~~ **religious, grantmaking, civic professional and similar organizations**; ~~post-secondary~~ **education**; **accommodation and food services** ~~hospitality~~; health care **and social assistance**; and administrative support services. 703.9

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- 703.10 *Policy ED-1.1.2: Economic Linkages*
Leverage the potential of core industries to provide new employment opportunities, particularly the growth of businesses that supply essential goods and services to the government, universities, hospitals, law firms, hotels, non-profits, and other major employers in the city. 703.10
- 703.11 *Policy ED-1.1.3: Diversification*
Diversify the District's economy by targeting ~~fields~~ ~~industries~~ with the greatest potential for growth, including the: impact economy, smart cities and civic solutions, professional services innovation, hospitality innovation, security technology as well as data science and analytics. ~~particularly technology-based and creative industries,~~ Established industries with significant growth potential include: retail, international business, ~~and the building trades infrastructure, and building construction.~~ 703.11
- NEW *Policy ED 1.1.4: Promote Local Entrepreneurship*
Support District residents seeking entrepreneurship opportunities through layered programs including technical assistance, promotion of District products and services, and market development.
- 703.12 *Policy ED-1.1.4: Competitive Edge*
Maintain and enhance the District's competitive edge relative to the ~~metropolitan~~ ~~Metropolitan~~ Washington region and United States markets in ~~fields~~ such ~~industry sectors~~ as ~~federal~~ government, professional services, ~~education,~~ health care, post-secondary education, media and communications as well as hospitality and tourism. Enhancing the District's competitive edge ~~This may will~~ require continued government support and performance-based incentives for economic development programs; ~~government participation in local economic development projects and initiatives;~~ ~~and~~ strengthened capacity among local economic development organizations, community development corporations, and workforce development groups; and well maintained business fundamentals including transportation access. 703.12
- 703.13 *Policy ED-1.1.5: Use of Large Sites*
Plan strategically for ~~the District's remaining~~ large development sites to ensure that their unique potential ~~economic development potential~~ is fully realized both as a source of economic dynamism and equity building, maximizing the sites' utility to the District. These sites should be viewed as assets that can be used to ~~revitalize neighborhoods~~ bring new amenities to neighborhoods and diversify

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the ~~District~~ **District's** economy over the long term. Sites with Metrorail access, ~~planned light rail access and priority transit access, and highway access~~ should be ~~used~~ **viewed as opportunities to advance growth in emerging industries that diversify the city's economy. Additionally, inclusive job growth and the production of new housing for residents of all income levels are also important components to the use of these sites.** ~~for new jobs and not exclusively as housing sites.~~ 703.13

703.13a *Policy ED-1.1.6: International Assets*

Draw on international business and institutional assets to develop **businesses that specialize in** international **trade of goods and services** ~~centers for learning, knowledge sharing, and trade.~~ Expand cultural opportunities to residents and visitors and create links between the District and foreign cities, industries, retail, institutions, and markets. 703.13a

NEW**Policy ED 1.1.8: International Tourism**

Support efforts by DestinationDC and the Metropolitan Washington Airports Authority to strategically expand direct flights and market the District as a tourism destination to foreign markets. International visitors generate particularly large amounts of tax revenue that benefit District residents.

703.13b *~~Policy ED 1.1.7: Global Financial Center~~*

~~Enhance the District's status as an international financial center by supporting the enactment of proposed federal legislation to ensure that insurance reserves are held and invested in the U.S., rather than offshore in foreign jurisdictions, to cover losses from natural and man-made catastrophes. By making the District a special tax jurisdiction where billions of dollars of catastrophic insurance reserves and their investment income would be exempt from federal taxes, substantial new professional and service support jobs would be generated for District residents, along with substantial new local tax revenues.~~ 703.13b

703.14 *Action ED-1.1.A: Economic Development Strategic Plan*

Prepare Maintain an Economic Development Strategic Plan that lays out in greater detail the steps the District must pursue to maintain and grow its economy. This plan should cover all economic sectors, evaluate competitiveness, and include strategies for workforce development and business attraction and retention. It should be developed through broad input from stakeholders, including resident, industry and education interests. 703.14

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- 703.15 *Action ED-1.1.B: Data Tracking*
Maintain and regularly update statistical data on employment in core sectors, wages and salaries, forecasts by sector, and opportunities for future employment growth. 703.15
- 703.16 *Action ED-1.1.C: Business Support Structures*
Streamline processes and create a more centralized system ~~that assists to assist~~ businesses ~~in meeting to meet~~ regulatory requirements quickly and efficiently, with a particular focus on serving small businesses, businesses that show the promise to create many jobs, and businesses that help the District meet goals such as its commitments to reduce greenhouse gases. Continue Centralize centralizing information and assistance to small and local businesses on starting a new business, the business permitting processes, zoning, fees and regulations, incentives, financing, unique programs, and opportunities. Create and maintain a fast-track permits and approvals system for businesses interested in opening or expanding in priority, under-served neighborhoods. 703.16
- NEW *Action ED-1.1.D Improve Access to Capital and Financing Opportunities*
Support collaboration between District agencies and private organizations that facilitate increased access to capital for District entrepreneurs. This includes strategic grantmaking, facilitating small business access to capital, and facilitating new forms of investment, such as social impact investing and Opportunity Funds.
- NEW *Action ED-1.1.E Identify Underutilized Sites*
Explore the feasibility of identifying underutilized commercial sites using techniques such as parcel-based development capacity analysis. This identification would inform land use planning and economic development.
- NEW *Action ED-1.1.F Monitor Opportunity Zones*
Monitor effects of the federal Opportunity Zones incentive in DC's Qualified Opportunity Zones to identify adverse community impacts. If significant impacts are identified, recommend program and policy changes to mitigate the impacts.
- NEW *Action ED-1.1.G Stabilize Business Occupancy Costs*
Explore program and policy alignments that stabilize and/or reduce commercial occupancy costs in the District. Potential options include

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alignment with the District’s sustainability programs to reduce energy costs, increased awareness of small business capital programs, and agreements for the reuse of public lands.

NEW**Action ED-1.1.H Increasing Exports**

Seek opportunities to increase domestic and international exports of goods and services produced by District based organizations through cost-effective strategies. Examples include, high-visibility popups that introduce DC brands to new markets and foreign trade missions that help build new business partnerships.

704 ED-1.2 Sustaining the Federal Presence 704

704.1 Although the number of federal jobs declined between 1990 and 1998, **and continued to decline as a percent of all jobs through 2017,** retaining ~~and even-~~ ~~increasing~~ federal employment ~~should be~~ **is** an important part of the city’s economic development ~~agenda~~ **strategy.** Not only does the federal government buffer the District’s economy from cyclical 704.1 boom and bust cycles, it generates significant private employment. 704.1

704.2 The District’s status as the nation’s capital and seat of the United States government is intrinsic to the local economy. **In 2017,** the federal government **employed** ~~employs 191,900~~ **197,000** workers in the District, and federal activities **accounted** ~~account~~ for almost 34 percent of the ~~region’s~~ **District’s** economic output. It accounts for one in every ~~4~~ ~~3.5~~ jobs in the District. The continued presence of the federal government and related uses is a key source of the District’s preeminence in the region. Supporting this presence is important to maintain the District’s central position in the metropolitan economy. 704.2

704.3 Decentralization of federal jobs from the city has been a concern since the 1950s. The combination of interstate highways, suburbanization of the workforce, lack of available land, and national security issues resulted in the relocation of many federal offices to Maryland and Virginia in the 1950s and 1960s. Despite the government’s continued strong presence in the District, **the National Capital Planning Commission’s** ~~its~~ “60/40 ~~rule~~ **policy**” regarding federal employment (see text box) has functioned ~~more~~ as a guiding policy **rather** than a strict mandate.

704.4 Callout Box: The 60/40 ~~Rule~~ **Policy** 704.4

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The 60/40 ~~rule~~ policy refers to a federal guideline on the distribution of federal jobs within the Washington Metropolitan Area. The ~~rule~~ policy was first established in ~~the~~ 1968 by the National Capital Planning Commission and currently is codified in the Comprehensive Plan's Plan Federal Element as a symbolic commitment to retain the District of Columbia as the seat of the federal government during a period when many jobs and residents were leaving the city for the suburbs. A goal was set to retain at least 60 percent of the region's federal jobs within the District, and thus allow no more than 40 percent of the federal jobs to locate in the Washington Suburbs.

The 60/40 ~~rule~~ policy remains an important guiding principle behind federal location decisions. However, it has functioned as a guideline rather than an absolute standard. The District's share of federal jobs in the region ~~-actual-~~ ~~regional share of federal jobs~~ dropped below 60 percent in the 1970s and currently stands at about ~~49~~ ~~53~~ percent. Pressure to relocate federal jobs to the suburbs continues to be strong due to factors such as security, ~~congestion~~, housing costs, and a desire to be closer to the Washington suburbs.

NEW In addition to regional decentralization of federal employment, recent federal policy has encouraged greater national distribution of federal employment. This policy increases the District's competition for hosting federal jobs.

NEW One of the factors driving both regional and national decentralization of the federal workforce is the relatively high cost for office space in the District. In response, the General Services Administration has been working to decrease the space per employee in federal offices within the District in order to reduce the total amount of space the government owns and leases. Together, these trends have been contributing to an elevated level of office vacancy in the District through increasingly compact facilities and the ongoing decentralization of the federal government, which is by far the District's largest industry and employer.

704.5 Looking forward, the District should continue to retain as much federal employment as it can. Federal jobs have historically provided tremendous job opportunities for District residents, ranging from entry level and clerical jobs to advanced managerial and highly skilled positions. 704.5

704.6 Even greater opportunities lie in federal procurement. ~~As shown in Figure 7.2,~~ Procurement in the metropolitan region surpassed direct federal spending on

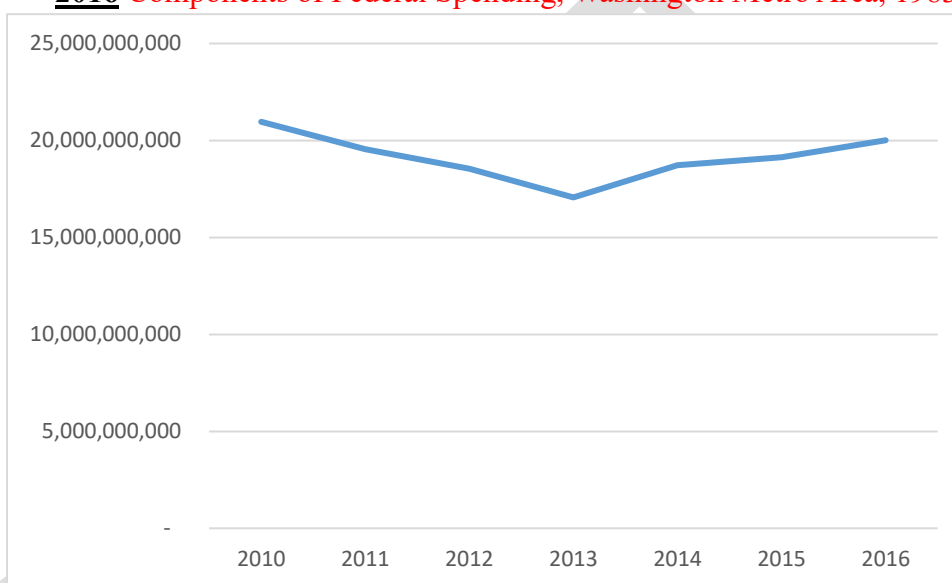
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wages in the mid-1990s, and has **remained a leading category** ~~continued to grow more rapidly than other categories~~ of federal spending ever since. A substantial amount of procurement spending—more than \$~~11~~**20** billion in ~~2003~~**2016**—already occurs within the District, as shown in **Figure** ~~Table~~ **7.3** ~~7.4~~.

Additionally, the District has the potential to grow its economy by capturing a greater portion of federal procurement, which exceeded \$72 billion regionally and \$432 billion nationally in 2016. 704.6

NEW

Figure 7.3~~2~~: **Federal Procurement Spending in the District of Columbia 2010-2016** ~~Components of Federal Spending, Washington Metro Area, 1983-2004~~



Source: Stephen S. Fuller Institute 2017

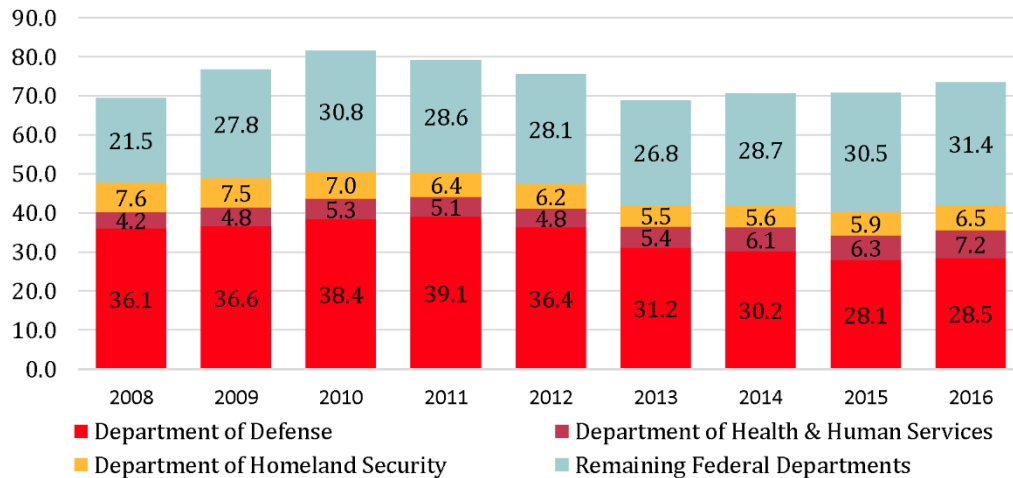
704.8

More concerted and strategic efforts should be made to **help companies** capture contract services in the future, leveraging the District's already strong presence in computer systems design; engineering; **cyber security**; and management, scientific, and technical consulting services. 704.8

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NEW

Table 7.4: Federal Procurement By Federal Agency in the Washington Region
(\$ billions) ~~Area and Type, FY 2003~~ 2008-2016



(Source: Stephen S. Fuller Institute 2017, Federal Procurement Spending in the Washington Region 2008 – 2016)

704.10

Policy ED-1.2.1: Sustaining the Federal Workforce

Advocate for the retention of the federal workforce within the District, consistent with the Federal Elements of the Comprehensive Plan. 704.10

704.11

Policy ED-1.2.2: Federal Workforce Growth

Support the growth of the federal workforce in the District, particularly in leased office space whose owners pay District property taxes. Consistent with the Federal Elements, ensure that federal expansion plans support the District's neighborhood revitalization and job creation programs. 704.11

704.12

Policy ED-1.2.3: Procurement and Outsourcing Opportunities

Improve the District's competitive position for capturing ~~federal~~ **federal** procurement and outsourcing dollars. The District should help local businesses take advantage of procurement opportunities while working to attract new firms that can also take advantage of these opportunities. The District should work closely with local and regional economic development agencies to formulate attraction and retention strategies for such businesses, including tax and financial incentives. 704.12

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- 704.13 *Action ED-1.2.A: Retention and Recruitment Programs*
Work with private-sector economic development organizations and through the Office of Federal and Regional Affairs to discourage federal jobs and agencies from leaving the city, and to enhance the District's ability to capitalize on federal procurement opportunities. 704.13
- 704.14 *Action ED-1.2.B: Technical Assistance*
Through the Department of Small and Local Business Development, Provide provide local firms with technical assistance in bidding on District and federal procurement contracts so that the District's companies and workers may capture a larger share of this economic activity. Periodically evaluate the success of local technical assistance programs, and make adjustments as needed to achieve higher rates of success. When practical, collect data and publish informational resources detailing opportunities to participate in District and federal government contracting. 704.14
- 704.15 *Action ED-1.2.C: Retaining Federal Employment*
Work proactively with NCPC to develop strategies ~~such as~~ that reinforce the "60/40 policy" to avoid relocation of federal jobs from the District to ~~suburban and exurban~~ to other locations regionally and nationally. 704.15
- 705 ED-1.3 ~~Creating a Knowledge~~ Supporting Innovation in the Economy 705
- NEW The District's long-term economic strength depends on fostering continual growth and diversification. Historically, the federal government has driven the vast majority of the District's economic growth. Looking forward, it is likely that an increasing amount of growth will be driven by the private sector.
- NEW Fortunately, Washington, DC is uniquely positioned to support economic innovation driven by technology businesses, technology-enabled businesses and businesses that utilize new models. These new and expanding businesses are growing from the foundations of the District's leading fields, such as issue-driven advocacy, hospitality, regulation management and government services.
- NEW Economic innovation is taking many different forms, ranging from new industries created by regulatory reform, to experiential retail models and technology-oriented service delivery. The common thread among these

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businesses is that innovation draws on forward-looking and diverse sources of inspiration that are connected to changes in the business environment. These changes are often driven by increased information access, communication, and global commerce. They are also propelled by the District's robust arts and cultural environment, which injects valuable sources of creativity. These forces align to leverage emerging growth opportunities created by increasing access to low-cost goods and services, which has increased demand for human interaction and products that are authentic to a place or community.

NEW

In 2017, DC's Economic Strategy identified six opportunity areas for innovation: the impact economy, smart cities and civic solutions, professional services innovation, hospitality innovation, security technology as well as data science and analytics. Each of these fields presents opportunities for economic expansion through entrepreneurship and career development. They are also important safeguards against changes in federal policy that may impede the city's economic growth through increased national distribution of federal employment and reduced federal procurement spending. Supporting innovation in the District's economy helps ensure that the tax base continues expanding to finance critical investments, including affordable housing production, environmental protection and sustainability, and transportation improvements.

NEW

Since 2006, innovations such as coworking, smartphones and 4G telecommunications have changed work, travel and social interactions. These changes are likely to intensify as new technologies, such as autonomous vehicles, 5G telecommunications and artificial intelligence become widely used. The net impacts of these technologies are likely to be positive, though businesses and the many individuals in the workforce will face challenges adapting to shifts in the business climate and nature of work.

NEW

The District is a leader in advancing equity and inclusion, particularly in technology-driven industries, through its educational, entrepreneurial and business development programs. Technology-driven innovation is likely to be a leading facet of the District's economic growth. However, there are major equity challenges to address, namely, ensuring that business and workforce development programs continue evolving to connect District residents to employment and business opportunities. An equity focus on business and workforce development programs is imperative because increased

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automation and legacy business disruption will likely result in reduced employment opportunities in some industries and occupations.

NEW

Additionally, Washington, DC's environmental sustainability leadership is another driver of economic innovation. In 2019, Washington, DC adopted the *Clean Energy Omnibus Act*, which is landmark legislation that will transition the District to one hundred percent renewable electricity by 2032. This comprehensive legislation places the District of Columbia at the cutting-edge of energy policy nationally. By taking this bold step toward greater resilience and sustainability the Washington, DC is also catalyzing valuable opportunities for economic growth by stimulating innovation in architecture, engineering, and the construction trades among other fields.

NEW

Economic innovation is a critical component of building the District's economic resilience as the national and global economics undergo a period of accelerated change. While the District advances these growth opportunities, it is also important to monitor and adjust job training to keep pace with changing employment opportunities and occupational requirements.

705.1

~~The District is uniquely positioned to grow those industries that rely on access to cutting-edge technology and that specialize in a range of services such as information exchange, design, and media. The city already has a dynamic learning and research environment, a thriving arts and creative scene, quality work spaces, and a proven record of attracting such firms and employees. These industries can add significant value to the city's economy range of opportunities for employment and career advancement. They also offer relatively high wages and flexible working conditions. 705.1~~

705.2

~~As noted earlier in this chapter, the District has a budding technology sector, as demonstrated by robust employment growth in several technology-intensive industries. The District also has employment concentrations in broadcasting, Internet-related services, data processing, and information services, such as libraries and syndicates. The District's technology sector is related in part to the presence of the national capital and also to the presence of colleges and universities. The federal presence supports extensive research and development activities through laboratories such as the National Institute of Health.~~

~~The universities often host cutting-edge research and development that in turn may spawn successful firms, often founded by student entrepreneurs. 705.2~~

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- 705.3 ~~Particular research fields with strong ties to the District include information technology clinical research, and economics. These are all uses that can take advantage of the District's predominant commercial development type multi-tenant, Metro-accessible office buildings. On the other hand, capturing biotechnology and research labs may be more difficult. While the District has the right elements for these uses, including universities, funding sources, and a highly educated regional labor pool, they typically prefer less costly rents in a campus-like setting. A handful of large sites in the city offer this setting, but there is competition to use these properties for other uses such as housing and federal office space.—705.3~~
- 705.4 ~~Rounding out the “knowledge economy” cluster are the cutting-edge arts, design, media, information, Internet, and entertainment industries. For example, the District already has a the nation's second largest video game design industry in the country. The District should do more to capitalize on its potential as a global information, research, and data center. As the generator of much of the nation's news, the District should also take advantage of the success of established broadcast media such as CNN, BET, and XM Satellite Radio and accommodate not only radio and television but also production and post-production facilities.—The District already has a wealth of technology firms, but lags in the creative side of new media such as web design and video production. Similarly, the District should continue to foster design-driven industries, along with creative destinations that rely on cutting-edge technology such as the Spy Museum and Newseum.—705.4~~
- 705.5 *Policy ED-1.3.1: Technology-Intensive Industries*
Aggressively pursue technology-based and creative industries, such as computer systems design, information services, ~~data processing,~~ **smart cities, clean energy, efficient building construction and renovation,** and ~~broadcasting cyber security firms.~~ Promote the development of space that is attractive ~~for to~~ these **industries firms,** both in new and existing buildings. Such space should include ~~relatively lower-cost, large floor plate buildings with high load-bearing capacity—and~~ good access to transportation; **high quality architecture; a mix of uses; and attractive urban design.** 705.5
- MOVED** *Policy ED-1.3.2: University Partnerships ~~with Anchor Institutions~~*
~~Enhance partnerships with anchor institutions, such as universities, hospitals, and other institutions to generate business and employment growth in the research~~

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~~and development sectors, and to continue technology transfer programs for District businesses and entrepreneurs. 705.6~~

705.7 *Policy ED-1.3.3: Media and Design*

Capitalize on the success of established broadcast media and design companies by continuing to grow these industries, and by growing related industries such as web design and multimedia content. 705.7

705.8 *Policy ED-1.3.4: Incentives*

Provide **performance-based** incentives, marketing efforts, and ~~zoning~~ **workforce development** tools to attract and retain ~~“knowledge cluster”~~ **technology** and creative industries. Take full advantage of federal incentives, such as research and development tax credits, to attract such firms. 705.8

705.9 ~~*Policy ED-1.3.5: Technology Infrastructure*~~

~~Focus technology attraction efforts on sites and corridors where technology infrastructure (such as fiber optics cable) is already in place. Proximity to such infrastructure provides an advantage for firms that rely on the movement of large amounts of data. The capacity and need for such infrastructure should be considered when planning for the redevelopment of strategic corridors, such as New York Avenue. 705.9~~

NEW

Policy ED-1.3.5: Leveraging and Adapting to Technological Change

The District supports economic resilience by aligning workforce development and small business development with economic development to ensure that residents benefit from economic growth driven by technological innovation.

NEW

Policy ED-1.3.6: Leveraging Environmental Policy for Economic Growth

Leverage the District’s environmental sustainability policies for economic growth by aligning them with business attraction and workforce development programs. These efforts should focus on expanded opportunities for historically underrepresented populations including and minorities.

See also section 6.5 of the Environment Element for more information about policies and actions that link environmental sustainability with economic and workforce development.

NEW

Policy ED-1.3.7: Equitable Opportunities in Industries Enabled by Regulatory

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Reform

Facilitate opportunities for locally owned small businesses and historically underserved populations to participate when new industries are enabled by regulatory reform. Examples include industries related to the legalization of cannabis and sports wagering.

- 705.10 ~~*Action ED-1.3.A: Knowledge Cluster Action Strategy*~~
~~Conduct a more detailed assessment of the knowledge cluster in the District. Such a study should be guided by a Task Force that represents economic development organizations, private industry, residents, and research institutions. It should include a review of national best practices, as well as actions to promote the development of research-driven and creative firms in the District.~~ **Completed – See Implementation Table** 705.10
- 705.11 *Action ED-1.3.B: Branding Washington as a Creative Hub*
~~Develop~~ **Maintain and grow** a marketing and branding campaign that establishes a stronger identity for the District of Columbia as a center for creativity and innovation, capitalizing on established institutions such as the city’s museums, think tanks, arts establishments, universities, and media industries. 705.11
- 705.12 ~~*Action ED-1.3.C: Technology in NoMA and the Near Southeast*~~
~~Identify opportunities for knowledge and technology-based industries within the emerging business improvement districts of North of Massachusetts Avenue (NoMA) and the Near Southeast.~~ **Obsolete – See Implementation Table** 705.12
- See also the Arts and Culture Element for policies on **arts and the economy** ~~attracting and retaining a creative workforce~~, and the Educational Facilities Element for policies and actions on educational partnerships.*
- 705.13 *Action ED-1.3.D: Link Federal Research and Enterprises*
Launch a program that connects District entrepreneurs with technology transfer and commercialization opportunities associated with the federal government’s research institutions in the metropolitan region.
~~Create partnerships to better link federal agencies that conduct research with local businesses to foster the commercialization and production of new technology, enterprise development, and generation of patents in the District.~~ 705.13

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NEW**Action ED 1.3.E: Support Emerging Entrepreneurs**

Through partnerships with private entities or directly, establish a fund or funds to help local entrepreneurs grow investment ready businesses. Emphasize increasing access to capital particularly among lower-income entrepreneurs in emerging fields, such as the impact economy, urban innovation/smart cities, hospitality and professional services innovation, data, security tech.

NEW**Action ED 1.3.F: Foster Technology Careers for DC Students**

Create programs that help DC students connect with careers in technology fields. These should include targeted training and opportunities for internships that provide direct experience in technology businesses.

NEW**Action ED 1.3.G: Support and Promote Inclusive Technology Business and Workforce Opportunities**

Support and promote inclusivity in the District's technology economy through workforce development, business development and public-private sector collaboration. These efforts should emphasize increasing the diversity of the workforce serving technology industries as well as the ownership of technology-oriented businesses.

NEW**Action ED 1.3.H: Planning for Technology-Based Businesses**

Explore the benefits of aligning business attraction for technology-based firms with next-generation information-technology infrastructure, such as 5G telecommunications networks.

NEW**Action ED 1.3.I: Monitor Changes in Technology**

Monitor changes in the technology industry and its impact on jobs, commerce and workforce development. Washington, DC will use this information to update workforce development approaches to respond to these impacts.

NEW**Action ED 1.3.J Gig Economy Workers**

Analyze the characteristics of the District's workforce that is employed in the "gig economy", which refers to the portion of the workforce that connects a series of on-demand employment opportunities to form a significant source of individual income. The analysis should make recommendations to increase awareness of the limitations, costs and responsibilities of this type of work. It should also, make recommendations to increase access to programs and

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support resources, such as health insurance. Additionally, explore approaches to reduce worker mis-classification.

706 ED-2 The Spatial Impacts of the Job Market 706

706.1 The ~~forecast~~ addition of ~~125,000~~ **247,100** jobs ~~during the next 20 years~~ **between 2015 and 2045** will create ~~the~~ demand for office, retail, hospitality, institutional, and industrial space. Estimates of floor space needs for the ~~30~~ **20**-year period vary from around ~~35~~ **50** million to ~~65~~ **94** million square feet, depending on the mix of jobs and space utilization trends. ~~Several hundred acres of land will be required to sustain this~~ **This real estate development will take place across the District in a variety of settings** with a variety of building types. ~~Accommodating this growth will pose a challenge for the District, given that it is a mature city with fixed boundaries.~~ **However, accommodating this growth will require more challenging real estate development techniques including included lot assembly and/or extensive redevelopment of existing facilities because the District is a mature city.** 706.1

706.2 Different sectors of the economy will generate the demand for different types of space. The federal government, professional/technical services, and member associations will drive the demand for office space, especially in Central Washington. **However, shifts toward ‘hoteling’ and telework are changing when, where and how employees work.** The education and ~~health care~~ **hospital** sectors will drive demand for institutional space, typically on campuses, ~~or in-campus-like settings. Such settings may also be attractive to growth industries such as those in technology and design. Administrative and support services will generate~~ **In other areas, growth of the maker economy is generating** demand for ~~light industrial (also called office/flex)~~ **production, distribution and repair** space, ~~and~~ **The arts, education and recreation; and the accommodation and food services sectors** ~~tourism sector~~ will rely on retail, hotel, and cultural space in Central Washington and elsewhere. 706.2

706.3 The following sections of the Economic Development Element explore the impact of projected job growth on each of these market segments. The policies and actions are intended to accommodate long-term economic growth needs by coordinating land use and transportation decisions and **to make the District’s economy more inclusive and equitable by** maximizing access to employment for ~~District~~ residents. These policies are supplemented by the job training and development policies that appear later in this Element, and by the commercial and

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industrial land use policies in the Land Use Element. 706.3

707 ED-2.1 The Office Economy 707

707.1 The District has one of the largest inventories of office space in the nation, ~~with over~~ **In 2006 there were** 112 million square feet **of office space, which grew over the next ten years to over 142 million square feet.** Among American cities, only ~~Midtown Manhattan, Lower Manhattan~~ **has a**, ~~and Downtown Chicago boast a greater concentration~~ **larger inventory of Class A** of office **space buildings within a central business district.** By most indicators, the District's office market is performing well. Its vacancy rate is **competitive with other growing office markets but historically high at just 6.7 11.4 percent in 2018,** ~~the lowest of any major U.S. market.~~ The average asking rent ~~was~~ **remains** above ~~\$45~~ **\$60** per square foot, **which is among the highest in the nation, only trailing the New York City and San Francisco Bay Area office markets** ~~second only to Midtown Manhattan.~~ 707.1

707.2 Central Washington includes a number of sub-markets, each providing different amenities and locational advantages. The largest of these submarkets are Downtown, traditionally defined as the area east of 16th Street and south of Massachusetts Avenue; and the Golden Triangle, extending from 16th Street west to Foggy Bottom and north to Dupont Circle. Smaller office districts exist in Georgetown, on Capitol Hill, along the avenues of Upper Northwest Washington, **and** around L'Enfant Plaza. **The fastest growth rates within the District's submarkets has occurred,** ~~and in the Southeast Federal Center~~ **Capitol Riverfront** and ~~North Capitol Street~~ **NoMa** areas. The large geographic expanse of the city's office market has been driven at least partially by height limits and the sizeable ~~area~~ **areas** dedicated to federal uses and open space in the heart of the city. 707.2

707.3 The city's ~~long more well-~~ established business districts, such as Downtown and the Golden Triangle, are ~~approaching build-out~~ **entering a phase of remodeling and redevelopment.** As a result, **office** development is pushing east towards Union Station and the North-of-Massachusetts- Avenue (NoMA) areas, and south ~~toward~~ **into Capitol Riverfront** ~~the Anacostia River.~~ Almost ~~nine~~ **five** million square feet of office space is now under construction in the city, much of it in these areas. 707.3

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See also the Central Washington Element for more information on the Golden Triangle/K Street Area.

707.4 Although the District's commercial land supply is adequate to accommodate **forecasted job growth through 2045** ~~the job forecasts~~, the market faces a number of challenges to its continued high performance. ~~While~~ Absorption has been ~~brisk~~ **modest** ~~(about 1.75 million with an average of 635,000 square feet per year between 2011 and 2016)~~ ~~; approximately half of the space due to come online in the coming years is speculative. In addition, recent federal security standards and related military base closures may open large quantities of inexpensive office space in Arlington, potentially impacting the demand for space in the District (see "Planning for BRAC" text box).~~ **Over this period, office space has become more intensively used with less dedicated space per employee, less onsite document storage, and fewer in-building facilities, such as legal libraries. Denser office configurations are driven by demand for trophy class office space by businesses seeking newer office formats that feature higher quality interior architecture and more generous shared space. These newer office configurations accommodate significantly more people per square foot than their predecessors. As a consequence, these new office building formats are contributing to higher vacancy rates as the District's office market accommodates significantly more employees while adding modest amounts of net new office space.**

At the same time, some of the existing space in Central Washington has reached the end of its economic life and is in need of renovation or replacement. **The Base Realignment and Closure (BRAC) program, which has generated new office districts, such as Capitol Riverfront, has been one of the most significant drivers in the District's office market since 2006.** Going forward, there will be a need for strategies to retain existing office tenants and to attract new tenants through creative marketing. 707.4

707.5 Callout Box: ~~Planning for~~ The Impact of Base Realignment and Closure (BRAC)
707.5

The Department of Defense periodically reorganizes America's military infrastructure to more effectively and efficiently support its operations. This may result in the redeployment of personnel to new sites, the development of new facilities, and the closure of military bases across the United States. The latest round ~~of base closings~~, announced in 2005, ~~would close~~ **closed the** Walter Reed Hospital **campus located between Georgia Ave NW and 16th St NW.** ~~and scale-~~

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~~back~~ **Additionally**, operations at Washington Navy Yard and Bolling Air Force Base **were significantly realigned**. ~~According to the George Mason School of Public Policy's Center for Regional Analysis, the District could lose more than 7,500 military and civilian jobs as a result.~~

The indirect impacts of the BRAC ~~may be~~ **have been** even greater than the direct impacts. Specifically, ~~new~~ **updated** Department of Defense security standards ~~may result in the vacating of almost 7.2 million~~ **required millions of** square feet of space in Arlington and Alexandria **to be vacated**; ~~As contractors and federal tenants leave this space for~~ **moved to secured secure** facilities at Fort Belvoir and elsewhere; ~~the local office market may quickly become saturated. Possible impacts on the could be a downward adjustment in office rents and leasing rates, an increase in vacancy rates, and the loss of firms to Virginia as cheaper space becomes available.~~

~~In the long term,~~ **These closures have had a destabilizing impact but it is also clear that they** ~~there may also~~ **will generate** ~~be~~ positive impacts ~~from the military realignment. The possibility of future transfers~~ **For example, land transferred** from federal ownership to the District ~~could mean~~ **is creating** new economic development opportunities for the city **at sites, such as the former Walter Reed campus. Additionally, in 2018, Amazon announced that it would locate its second headquarters in Crystal City where it will repurpose buildings vacated by BRAC to host at least 25,000 employees. Securing the second headquarters in northern Virginia is expected to strengthen the region's economic diversification by attracting, growing and retaining technology-oriented businesses.**

707.6

Policy ED-2.1.1: Office Growth

Plan for an office sector that will continue to accommodate ~~growth in~~ government **agencies and growth in** government contractors, legal services, international business, trade associations, and other service-sector office industries. The primary location for this growth should be in Central Washington and the ~~emerging adjoining~~ office centers **including along South Capitol Street and the Anacostia Waterfront in NoMa, Capitol Riverfront, Buzzard Point, St Elizabeths, and Poplar Point.** 707.6

707.7

Policy ED-2.1.2: Corporate Headquarters

Promote the qualities that favor the District as a headquarters or branch setting for multi-national corporations, including its economic, social, political and

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locational attributes. Focus ~~in particular~~ on companies that contract with the federal government but are currently headquartered elsewhere and companies that would benefit from proximity to regulators. Construct performance-based incentive packages to encourage large corporations to locate and maintain their offices in the District. 707.7

707.8 *Policy ED-2.1.3: Signature Office Buildings*
Emphasize opportunities for build-to-suit/signature office buildings in order to accommodate ~~high-end~~ tenants and users, such as ~~and~~ corporate headquarters that require premium office space. ~~Consider sites in secondary office centers—such as NoMA and the Near Southeast for this type of development.~~ 707.8

707.9 *Policy ED-2.1.4: Diversified Office Options*
Diversify the tenant base by attracting premium ~~both high-end~~, mid-range, and low-~~end~~ cost office space users, and by supporting a range of office space types. Recognize that ~~while~~ many firms ~~seek to be located in the District, some~~ may prefer ~~lowerend~~ low-cost space over premium ~~Downtown~~ office space. 707.9

707.10 *Policy ED-2.1.5: Infill and Renovation*
Support the continued growth of the office sector through infill and renovation within established commercial districts to more efficiently use available space while providing additional opportunities for new space. 707.10

707.11 *Policy ED-2.1.6: Local-Serving Office Space*
Encourage the development of small local-serving offices and co-working facilities within neighborhood commercial districts throughout the city to provide relatively affordable locations for small businesses and local services (such as real estate and insurance offices, accountants, consultants, and medical offices). 707.11

NEW *Policy ED-2.1.6: Lower Cost and Flexible Office Space*
Support innovations, such as shared office space, hoteling and incubators as methods to support lower cost office space and reduce office vacancy rates.
Consider techniques, such as tax incentives and regulatory flexibility.

707.12 ~~*Action ED-2.1.A: Office Sector Assessment*~~
~~Conduct a comprehensive evaluation of the District's office market at least once—every two years, including employment forecasts; space demand estimates;—inventories of planned and proposed projects; analysis of location trends; analysis—~~

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~~of regional competition including taxes, amenities, and the regulatory environment; and shifts in occupant needs. Use the findings of the evaluation to assist local Business Improvement Districts and Community Development Corporations, and to develop appropriate District economic development strategies and programs.~~ **Obsolete – See Implementation Table** 707.12

707.13

Action ED-2.1.B: Marketing Programs

~~Prepare and~~ **Implement** a marketing ~~strategies plan~~ for the District of Columbia's ~~office commercial~~ space, working collaboratively with local economic development organizations such as the Washington DC Economic Partnership, Greater Washington Partnership, Federal City Council, Board of Trade and Chamber of Commerce. **The program should be conducted on an on-going basis focusing** ~~The marketing plan should focus~~ on companies that are headquartered elsewhere but conduct extensive business with the federal government, including legal firms, national membership organizations, and technology-intensive industries, and the domestic offices of international firms.

707.13

707.14

*Action ED-2.1.C: ~~Back~~ **Support Low-cost Office Space Construction Incentives***
Explore the feasibility of financial and/or regulatory **support incentives** to encourage the development of lower-cost office space **including co-working space** ~~and office space~~ for small and/or nonprofit businesses in underinvested ~~areas and in~~ commercial districts outside Downtown. 707.14

NEW**Action ED-2.1.D: Supporting Entrepreneurship**

Facilitate entrepreneurship including through mentorship, technical assistance, incubators and pro bono partnerships that will help aspiring entrepreneurs access resources and increase the likelihood of establishing a successful small business.

NEW**Action 2.1.E: Anchor Commercial Expansion**

District agencies leasing new space will give priority to locations east of the Anacostia River where they can anchor commercial development including fresh food retail. OP and DMPED should support the location of District facilities in these areas through analysis of land use plans and public lands.

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708 ED-2.2 The Retail Economy

708.1 ~~A robust~~ **The** retail sector has **generated** ~~the potential to generate~~ significant tax revenue, ~~provide that provided~~ employment and income for residents, ~~enhance~~ **enhanced** the vitality of the city, and ~~improve~~ **improved** shopping, dining, and entertainment choices for District neighborhoods. In recent years, the range of retail options in the city has been increasing. **Between 2006 and 2017 nearly six million square feet of retail space has been constructed, with another million square feet under construction, and an additional six million square feet in the development pipeline.**

New and remodeled retail space has been a leading component of community revitalization throughout the city including in City Center, Gallery Place, Columbia Heights, Logan Circle, Barracks Row, Brookland, H Street, and U Street, which have reemerged as ~~become~~ **major shopping, entertainment, and dining destinations.** ~~Drawing a mix of tourists, workers and residents.~~ **At the same time,** established retail districts such as Friendship Heights, **Dupont Circle, Cleveland Park,** Georgetown, and Adams Morgan ~~continue to are draw~~ **drawing** ~~fewer~~ patrons ~~from outside as well as the District's inside the city~~ **retail landscape continues to diversify by expanding south and east across the city. Importantly, this expansion is returning retail** ~~is also returning~~ **to the city's eastern quadrants where residents without automobiles have had significantly reduced access to household goods. Some of the communities in the eastern quadrants undergoing retail growth include:** ~~including locations like Fort Lincoln, Fort Totten,~~ Anacostia Gateway and **Skyland** ~~Barracks Row, after years of decline.~~ 708.1

708.2 ~~Nonetheless, the District still loses, or "leaks," an estimated \$1 billion per year in retail spending from its resident population, amounting to almost \$4,000 per household~~ **The retail economy is important to the tax base and new retail options are anticipated to capture more consumer spending from residents, workers and visitors, which strengthens the tax base. Retail expansion is occurring in numerous neighborhood commercial areas across the city and in the Central Employment Area. Since 2006, citywide retail growth has dramatically reduced the District's retail leakage as a proportion of resident spending, which was estimated at \$1 billion per year in 2006. Between 2009 and 2016, retail sales and use taxes are up 36% and retail employment is up 28%. The leakage is even higher when the potential spending of the daytime population, including workers and visitors, is included. The District's**

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~~underperforming retail sector has a pronounced impact on its fiscal health, since retailing pays both real property taxes and sales taxes, and is more also likely to employ District residents than office development (see text box on next page).~~

In the District, strong retail growth has been driven by robust demand from the food and beverage segment. Nationally, the retail economy is experiencing major shifts in durable goods retailing due in part to growth in online retailing. These changes are likely to reshape the regional retail landscape and may yield a mix of benefits and challenges for retail in the District. DOES anticipates that non-store retailers, which include online retailers, will be the fastest growing component of retail trade through 2026. This is a major shift that is anticipated to drive new retail business models that will change how retailers connect with customers and likely impacting traditional bricks and mortar stores. 708.2

708.3

Efforts are underway to expand retail choices and strengthen existing retail businesses, both in Central Washington and in District neighborhoods. Continued planning and market assessment will **help retail areas across the city adapt to changing market conditions.** ~~be needed to ensure that the District is targeting an optimal mix of goods and services, and in the right locations.~~ **Since 2006, the DC Office of Planning has conducted two major retail initiatives, the Retail Action Strategy and Vibrant Retail Streets Toolkit. These initiatives provide a foundation for communities and retailers to adapt to the changing retail landscape where new retail formats that are experiential and blended with online sales are imparting major changes in retail business models, trade areas and marketing techniques. An effective retail strategy should include a focus on** **These studies identified market potential for numerous retail areas and strategies to attract neighborhood serving** ~~those~~ **uses, such as grocery stores, home furnishings, and home improvement stores that are missing or under-represented today. It should also** **Additional studies may** **assess the potential for new retail formats, such as “vertical” car dealerships that make more shared spaces that are paired with administrative and technical support that make entrepreneurship more accessible by** ~~efficiently use of using~~ **limited and expensive land. If the full market potential of retail is tapped** **starting in 2006,** **as much as seven to ten million square feet of floor space might be accommodated by 2026** ~~in the next 20 years.~~ 708.3

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- 708.4 *Policy ED-2.2.1: Expanding the Retail Sector*
Pursue a retail strategy that will allow the District to fully capitalize on the spending power of residents, workers and visitors, and that will meet the retail needs of communities across the city and particularly in ~~of~~ underserved communities ~~areas~~.
- 708.5 *Policy ED-2.2.2: Downtown Shopping*
Strengthen Downtown Washington as a regional experiential retail destination in order to capitalize on its status as a transit hub and its historic role as the cross-roads and central marketplace for the Washington metropolitan area. Downtown should be tenanted ~~developed~~ and promoted as a regional experiential retail destination of choice, with multiple traditional and non-traditional retail anchors, a ~~well-programmed~~ variety of consumer goods retailers, specialty shops, retailers unique to the Washington region, and a wide variety of restaurants and entertainment venues. 708.5
- 708.6 ~~Callout Box: The Importance of Retail Sales to the District's Finances 708.6~~
~~An analysis of the fiscal impacts of different land uses was performed as part of the revision of the Comprehensive Plan to better understand the implications of future land use decisions. This analysis found that retail floor space generated more tax revenue for the city than comparable amounts of housing or office space. In fact, 100 square feet of "typical" retail space generated \$1,995 of revenue annually, compared to \$1,246 for office space, and \$869 for market rate condominiums. For a "typical" market rate condominium, 70 percent of the municipal revenues generated were from income taxes and 25 percent were from property taxes. By contrast, almost three-quarters of the municipal revenue derived from retail space was from sales tax.~~
- ~~The analysis found that mixed use development may be more favorable than single use development from a revenue standpoint. Combining retail and residential uses allows the District to capture sales taxes, income taxes, and property taxes, while also reducing retail "leakage" and providing housing for the local workforce. Likewise, retail in tandem with office development provides an opportunity to capture worker spending on retail sales, currently a missed opportunity in many parts of Downtown.~~
- ~~Some caveats to this analysis are worth noting:~~
- ~~• Although retail uses are the best generator of revenue, this is dependent on the health of the economy and the specific mix of retail businesses. Some~~

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~~types of retail clearly generate more sales tax revenue per square foot than others.~~

- ~~• Office uses are the most reliable generator of revenue since a higher proportion of the revenue comes from property taxes, which fluctuate less than income and sales taxes.~~
- ~~• The fiscal impacts of residential uses are highly sensitive to the income levels and household characteristics of occupants. For example, a market-rate housing unit occupied by two income earners with no children generates more revenue and requires fewer municipal expenses than an affordable family unit.~~
- ~~• While fiscal impacts alone should not drive land use decisions, this type of data can help the city create balance, and achieve an appropriate mix of uses and activities as it grows.~~

708.7

Policy ED-2.2.3: Neighborhood Shopping

Create **and support** additional shopping opportunities in Washington's neighborhood commercial districts to better meet the demand for basic goods and services. Reuse of vacant buildings in these districts should be encouraged, along with appropriately-scaled retail infill development on vacant and underutilized sites. Promote the creation **and growth of existing** ~~of~~ locally-owned, non-chain establishments because of their role in creating unique shopping experiences, **as well as generating stronger local supply chains that facilitate community wealth-building.** 708.7

708.8

*Policy ED-2.2.4: ~~Destination Retailing~~ **Support Local Entrepreneurs***

~~Continue to encourage "destination" retail districts that specialize in unique goods and services, such as furniture districts, arts districts, high-end specialty shopping districts, and wholesale markets.~~ Support the ~~creative~~ efforts of local entrepreneurs who ~~seek to enhance~~ the District's ~~destination~~ **economy by manufacturing and retailing goods within the city, which increases the local employment and tax revenue generated by consumer's retail spending** ~~base.~~

708.8

708.9

Policy ED-2.2.5: Business Mix

Reinforce existing and encourage new retail districts by attracting a mix **of businesses including local companies, regional chains and** ~~of~~ nationally-recognized **retailers** ~~chains as well as locally-based chains and smaller specialty stores to the city's shopping districts.~~ 708.9

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- 708.10 *Policy ED-2.2.6: Grocery Stores and Supermarkets*
Promote the development of new grocery stores and supermarkets, particularly in neighborhoods where residents currently travel long distances for food and other shopping services. Because such uses inherently require greater depth and lot area than is present in many commercial districts, adjustments to current zoning standards to accommodate these uses should be considered. 708.10
- 708.11 *Policy ED-2.2.7: Planning For Retail*
Coordinate neighborhood planning efforts with the District's economic development planning and small business development ~~implementation~~ programs to improve retail offerings ~~in local commercial centers~~ by leveraging the Vibrant Retail Streets Toolkit. Evaluate techniques, such as consolidating ~~Consolidate~~ retail near highly trafficked locations along major corridors and particularly near transit station areas. Consider strategies to increase a retail area's market position, including by coordinated promotion. according to— ~~existing and forecasted demand and consider converting retail to other uses where an increased consumer base is required.~~ 708.11
- 708.11a *Policy ED-2.2.8: Innovative Retail*
Identify and implement innovative retail ~~new~~ strategies ~~to recapture retail sales—leakage.~~ This could include supporting ~~having~~ pop-up or mobile retailers ~~units—~~ in neighborhoods ~~in which there might not be enough~~ with insufficient or unproven market demand ~~to support an entire~~ for new stores ~~store. These strategies can~~ helping new businesses to get established, or ~~helping pop-up stores~~ ~~to~~ introduce new products and concepts, provide seasonal merchandise and services, and fill commercial buildings during short-term vacancies. 708.11a
- 708.11b *Policy ED-2.2.9: Clustered Retail at Transit*
Cluster retail around areas of high foot-traffic, including Metrorail ~~exits—~~ stations, bike trails—bicycle facilities, future streetcar stops high capacity transit stops, and other multi-modal meeting points. Create strong nodes of character to effectively link retail and transit. 708.11b
- 708.12 *Action ED-2.2.A: Update Retail Action Agenda*
~~Prepare and implement a~~ Update the citywide Retail Action Agenda. The Agenda should include an evaluation of the current and projected amount of market supportable retail, strategies for increasing retail offerings in historically underserved communities, ~~overcoming retail development barriers,~~ ~~neighborhood-specific~~ submarket-specific evaluations, and analysis of how

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changing retail trends and technologies, such as online retailing and automation are likely to impact retail businesses and employment in the District. ~~recommendations for overcoming retail development barriers,—neighborhood-specific evaluations for new retail development and assistance programs.~~ 708.12

708.13

Action ED-2.2.B: Retail Ceiling Heights

Determine the feasibility of developing zoning amendments which would permit higher ground floor retail ceiling heights in neighborhood commercial areas ~~commercial and mixed-use districts.~~ Through processes including ZR-16 many zones have been revised to better accommodate the national standards for retail space, which has higher ceiling heights than typical office or residential uses. However, there may be an additional opportunity to make similar adjustments to zones used in neighborhood commercial areas. If these adjustments are feasible, better accommodating national retail space standards would help improve the city's economic resilience. ~~—The building height limits in several zone districts preclude the development of ground floor space in keeping with national standards without reducing overall gross leasable building area or placing a portion of the ground floor below the street level.~~

708.13

NEW*Action ED-2.2.C: Update the 2005 Retail Leakage Study*

Conduct an analysis of the District's retail economy to assess the impacts from online retailing and opportunities to capture resident retail spending. The study should also assess opportunities to attract additional retail spending by tourists and residents of nearby jurisdictions.

709

ED-2.3 The Tourism and Hospitality Economy

709.1

The District is a premier tourism, convention and special events destination. Its array of attractions and cultural venues, particularly the national museums and federal monuments, rivals that of other great cities around the globe. With ~~19-22~~ million annual visitors in 2017, the District ~~ranks fourth among the top United States~~ is a leading destinations for domestic travelers and ~~eighth among~~ foreign visitors. Away from the National Mall, an increasingly rich and diverse set of visitor amenities has been developed, including theaters, galleries, restaurants, night clubs, historic trails, and historic home museums, which are enjoyed by visitors and residents alike. Added to this are the District's ~~newly~~ expanded convention facilities and the associated increase in convention travel. 709.1

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- 709.2 The economic impact of tourism includes both direct employment in the hospitality industry and spending by tourists and business travelers during their stays in the District. As of 2017, hotels, bars, and restaurants directly provide more than 45,000 67,000 jobs in the city. ~~The Washington Convention Center alone is estimated to have generated more than \$700 million in direct spending by attendees in 2005.~~ New hotels such as the ~~400~~ 1,150-room ~~Mandarin Oriental Convention Center Marriot Marquis in Southwest~~ have added to the lodging choices in the District. ~~Additional hotels, including a new Convention Center headquarters hotel, are planned to attract larger conventions.~~ 709.2
- 709.3 Future growth is expected in both the tourism and convention sectors, with strong job gains projected during the next five years. ~~The opening of new a~~ Attractions such as the National Museum of African American History and Culture ~~renovated National Portrait Gallery~~ and the US Capitol Visitors Center will ~~attract~~ draw new visitors and ~~also bring~~ repeat visitors ~~back~~ to the capital. ~~The new ballpark, scheduled to open in~~ The MCI Center, now called the Capital One Arena anchored revitalization of Chinatown when it opened in 1997. Then Nationals Park, opened in 2008, will have a particularly where it helped catalyze reuse of the Anacostia waterfront strong impact on visitor spending. Building on the momentum of Nationals Park, the new Audi Field and Entertainment Sports Arena at St. Elizabeths East are expected to draw more visitors and spending to historically underserved communities near and along the Anacostia River. In addition, features such as the African-American Heritage Trail, the Fort Circle Parks, the National Arboretum, Kenilworth Aquatic Gardens, and the Frederick Douglass Home offer an opportunity to explore the city “beyond the monuments” while also supporting neighborhood businesses and providing a better understanding of the city’s history and culture among visitors. 709.3
- 709.4 Meeting the increased demand for visitor services will require sustained efforts to ~~improve~~ expand the hospitality workforce, upgrade transportation capacity, ~~address public concerns about security~~ increase awareness of the city’s public safety, and maintain public access to key attractions and amenities. It will also require proactive measures to address neighborhood concerns about tour buses, parking, and other tourism impacts. 709.4
- 709.5 *Policy ED-2.3.2: Growing the Hospitality Industry*
Develop an increasingly robust tourism and convention industry, which is underpinned by a broad base of arts, entertainment, restaurant, lodging, cultural

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and government **services amenities**. Strive to increase: (a) the total number of visitors to Washington; (b) the number of visitors staying in the District ~~(rather than in suburban hotels)~~; and (c) longer visitor stays in Washington. Promote the District not only as the preferred base for exploring the city's attractions but also the preferred overnight base for visiting regional attractions. 709.5

709.6 *Policy ED-2.3.2: Visitor Attractions*

~~Provide~~ **Encourage** new and enhanced visitor attractions and entertainment venues in the District, particularly attractions that complement the traditional museums and monuments and draw more international visitors and young adults to the city. New attractions should create a clear identity for the District as the region's major entertainment center. 709.6

709.7 *Policy ED-2.3.3: Amenities Beyond the Mall*

Promote the development of cultural amenities beyond the Mall in an effort to more fully capitalize on **and distribute** the economic benefits of tourism. 709.7

See also the Arts and Culture Element for policies on culture in every neighborhood, and the Historic Preservation Element for policies on heritage tourism.

709.8 *Policy ED-2.3.4: Lodging and Accommodation*

Support the development of a diverse range of hotel types, serving travelers with varying needs, tastes, and budgets. New hotels should be encouraged both within Central Washington and in outlying commercial areas of the city, particularly in areas **that are underserved by hotels** ~~which presently lack quality accommodation~~. 709.8

709.9 *Policy ED-2.3.5: Federal Coordination*

Continue to work with federal entities in the planning of visitor attractions, including new federal monuments and memorials, so that the District can plan for complementary amenities and incorporate these features into its marketing programs. The District should also coordinate with the federal government to address security measures which may affect the accessibility and appearance of visitor attractions. 709.9

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- 709.10 *Policy ED-2.3.6: ~~Entertainment Districts~~ Gallery Place/Convention Center Entertainment District*
Support the continued ~~concentration~~ **clustering** of entertainment uses in the Gallery Place/Convention Center area to create a stronger and more visible destination for visitors, workers, and residents, ~~and to avoid the over-concentration of these uses in neighborhoods where they might have adverse impacts.~~ Improve streetscape and transportation connections between this area and the National Mall to foster its continued success. 709.10
- 709.11 *Policy ED-2.3.7: Visitor Information Services*
Provide ~~more~~ effective visitor information services, including information on tourist attractions and services, and transportation, lodging, dining, cultural and entertainment options. 709.11
- See the Transportation Element for additional guidance on improved signage to attractions and destinations within the District.*
- 709.12 *Policy ED-2.3.8: Spin-Off Industries*
Promote the development of hospitality-supply industries **and technological innovations** within the District to capture a greater share of the employment and income benefits associated with this labor-intensive sector. Presently, many of the industries that provide supplies to local hotels and restaurants are located outside of the city. 709.12
- 709.13 *Policy ED-2.3.9: Hospitality Workforce Development*
Recognize the potential for the hospitality sector to generate entry level jobs and opportunities for upward mobility for District residents by promoting vocational, job training, and job placement initiatives in this sector, and by working with local hotels, the District of Columbia Hotel Association, the Washington Convention and Tourism Corporation, **unions**, and others. 709.13
- NEW** ***Policy ED-2.3.10: Waterfront Destinations***
Promote the Anacostia and Potomac waterfronts as destinations for District residents and tourists in an effort to capitalize on the amenities and economic benefits of tourism in neighborhoods adjacent to the rivers.
- 709.14 ~~*Action ED-2.3.A: Assessment of Supply Industries*~~
~~Conduct an assessment of the industries that provide goods and services to the District hotels and restaurants, such as caterers, laundries, and janitorial services.~~

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~~Based on the findings of the assessment, consider incentives and regulatory tools which might help the District capture a larger share of these businesses, along with possible locations for such uses within the city.~~ **Obsolete – See**

Implementation Table 709.14

709.15 *Action ED-2.3.B: Promote Unique Assets*

Investigate opportunities for further promotion of Washington’s more esoteric attractions so that visitors may be drawn to new destinations in the city, thereby extending their stays and creating more economic benefits for the city. For example, consider tour packages that include “Undercover Washington” (featuring the FBI Building, Watergate, the Spy Museum, etc.); “Naturalist’s Washington” (featuring the C & O Canal, Dumbarton Gardens, the Anacostia River, Rock Creek Park, and the National Arboretum), **“Washington the Port City” (featuring the city’s reimagined ports at Georgetown, the Wharf, and the Navy Yard)** and “Washington at War” (featuring the Fort Circle Parks ~~Marine Corps Historical Museum,~~ and the war memorials). ~~Consider also a permanent fair or series of destinations showcasing the 50 states that draws on the District’s status as the nation’s capital.~~ 709.15

709.16 ~~*Action ED 2.3.C: Ballpark Economic Strategy*~~

~~Develop a strategic plan to capitalize on the economic opportunities of the new Major League Baseball park, including the development of additional restaurants, entertainment, and hospitality services in the ballpark vicinity.~~ **Completed – See**
Implementation Table 709.16

NEW *Action ED-2.3.D: Economic Development Financing Tools*

Review the potential of expanding commercial revitalization programs, such as tax increment financing, to include adjoining underutilized and historically disadvantaged commercial districts with an emphasis on areas on the east side of the Anacostia River.

NEW *Action ED 2.3.E: Test Challenge-Based Procurement*

Test the feasibility of challenge-based procurement, which is a technique for procuring a solution rather than a specified product. Challenge-based procurement starts with defining a challenge in a request for proposals to prospective contractors who then propose solutions. This is a significant departure from traditional procurement where the solution is determined prior to procurement for predefined goods and services. This model has been helped identify innovative solutions to public sector problems that utilize

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technology-driven and evidence-based approaches.

See the Arts and Culture Element for additional actions relating to tourism.

710 ED-2.4 The Institutional Economy 710

710.1 The District's **institutional anchors** ~~institutions~~, including colleges, universities, and hospitals, make a significant contribution to the local economy. As of ~~2004~~ **2017**, colleges, ~~universities~~ and ~~professional schools~~ accounted for ~~30,500~~ **52,900** jobs in the District, representing nearly five percent of total employment. Of the District's top 20 private **organizations with the most employees** ~~employers, the District's Department of Employment Services reports that~~ universities **comprise a quarter of the largest employers**, ~~occupy the number one, two, four nine, and 12 slots. George Washington University including the top two largest employers, Georgetown University is the largest private employer in the city,~~ followed by ~~Georgetown~~ **George Washington University, according to DOES reports.** ~~Employment at colleges and universities in the District peaked in 1999, declined for the next two years, and has been on the rise since.~~ The District **DOES** ~~Department of Employment Services~~ indicates this sector **is likely to** ~~will~~ gain about ~~4,500~~ **3,103** jobs between ~~2002~~ **2016** and ~~2012~~ **2026**. 710.1

710.2 Several of the District's universities also have affiliated teaching hospitals. These include Washington Hospital Center (a private teaching hospital affiliated with several DC universities), Georgetown University Hospital/Medstar Health, Howard University Hospital, and the George Washington University Hospital. These four institutions are the third, seventh, ~~eighth~~ **13th**, and ~~15th~~ **14th** largest private employers in the District. Hospitals accounted for approximately ~~22,500~~ **28,400** jobs in ~~2004~~ **2017**, representing ~~3.4~~ **5** percent of private sector employment. 710.2

NEW **In addition, the University of the District of Columbia, including its community college, is the District's public university, serving residents affordably through multiple points of entry, including workforce training, professional certifications, associate degrees, bachelor, graduate and law degrees.**

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710.3 *Policy ED-2.4.1: Institutional Growth*

Support growth in the higher education and health care sectors. Recognize the potential of these **institutions** ~~industries~~ to provide employment and income opportunities for District residents, and to enhance the District's array of cultural amenities and health care options. 710.3

See also the Educational Facilities Element for additional policies related to colleges and universities.

710.4 *Policy ED-2.4.2: Secondary Benefits*

Promote the development of local businesses and enterprises that rely on the concentration of universities and health care institutions in the city, including both firms that provide supplies to these industries, and firms that benefit from their knowledge and research capacity. 710.4

710.5 *Policy ED-2.4.3: Higher Education and Health Care Linkages*

Encourage continued linkages between the higher education and health care industries through **incubator** facilities **collocated with** ~~such as~~ medical schools, teaching hospitals, and medical research centers **to generate new spin-off businesses from these institutions.** 710.5

NEW**Policy ED-2.4.4: Public Higher Education for District Residents**

Support the University of the District of Columbia in its role as the District's public institution of higher learning. Recognize that the community college and university expand employment and income opportunities for District residents. Additionally, elevate the University as an important resource for building a workforce for growth industries that require highly-trained employees.

PASTED**Policy ED-2.4.5** ~~1.3.2: University~~ **Partnerships with Anchor Institutions**

Enhance partnerships with **anchor institutions, such as** universities, **hospitals,** and other institutions to generate business and employment growth in the research and development sectors, and to continue technology transfer programs for District businesses and entrepreneurs.

PASTED

*See also the portions of this Element on ~~the~~ **“Supporting Innovation in the Knowledge Economy”** and **“Increasing Access to Employment”** for additional policies and actions relating to higher education. **Also see the Educational Facilities Element for information on higher-education***

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facilities.**NEW****Action ED-2.4.A: Institutional Spin-off Business**

Encourage District-based institutions, such as hospitals and universities, to establish or expand business incubators and accelerators that enable students and employees to develop and commercialize insights gained through the pursuit of an institution's mission. Leading examples include the MedStar Institute for Innovation and the Sheik Zayed Institute for Pediatric Surgical Innovation at Children's National Hospital.

711 ED-2.5 The Production, Distribution, and Repair Economy 711

711.1 **Production, Distribution and Repair (PDR) areas in the District play an important role in city operations, in addition to protecting space for industries that make, distribute and repair goods.** ~~Production, Distribution and Repair (PDR) jobs~~ **industries** include the construction trades, utilities, transportation, publishing, manufacturing, wholesalers, and service providers such as commercial laundries. When these ~~various~~ industries are ~~considered~~ **assessed** collectively, they account for approximately ~~10-9~~ percent of the District's employment. PDR employment in the District has been **broadly** stable **since 2006** ~~over the past several years~~. Declines in some ~~sectors~~ **industries**, such as ~~manufacturing~~ **publishing**, have been offset by growth in other ~~sectors~~ **industries**, such as ~~construction and warehousing~~ food and beverage production.

PDR jobs are particularly desirable in the District, as they offer competitive wages to persons with limited education and academic credentials. **An analysis by the DC Office of Planning in 2014 found that the jobs created in PDR areas pay \$4 to \$7 more on average than comparable jobs in retail, while requiring little to no training or education. Additionally, they frequently provide opportunities for career advancement and on-the-job training. The ability to continue creating this type of job in the District is a key to growing inclusively. (see the "Industrial Land Transformation Study" text box for more information)** 711.1

711.2 As discussed in the Land Use Element, the areas that ~~currently~~ **historically** ~~accommodated~~ ~~accommodate~~ many of the city's PDR jobs ~~were the waterfronts and the railroad corridors~~. **Since 1975, regulatory changes have allowed residential uses on nearly a third of the city's industrial lands. Areas designated for PDR on the Future Land Use Map are some of the only parts**

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of the District that exclude residential uses to facilitate municipal and private sector uses that are not well-suited for residential areas. Additionally, because PDR areas have restricted use, land values are typically lower than in other parts of the city, which supports uses that require larger spaces and that are cost effective for PDR uses. Today, the demand for housing continues to grow, while the supply of PDR properties has become very tight, which is creating a tension between much-needed housing production and PDR activities in a land-constrained city.

MOVED

The production, distribution, and repair sector plays an important role in supporting **government operations and other sectors** of the **broader** economy. ~~The federal government, the hospitality industry, the construction trades, and many of the District's large private employers require services that are delivered from warehouses, trucking and distribution centers, and wholesale or manufacturing facilities. Media companies whose operations involve an industrial component, such as studios, also may locate in the District's industrial zones.~~ Without PDR areas many private sector services and municipal operations could become less efficient and more expensive. The District needs PDR areas for municipal services, including trash collection, street sweeping, fleet storage, vehicle repair and snow removal operations. Utilities and authorities need PDR lands to house key infrastructure as well as for conducting repairs and maintenance. These areas serve a wide range of distribution needs, for example, all the alcoholic beverages sold in the District are warehoused and distributed from PDR areas and same day delivery services are seeking fulfillment centers in close proximity to customers. Entrepreneurs use facilities in PDR areas to operate creative businesses including video production, food preparation and beverage manufacturing. Preserving PDR areas supports industries that provide important services and economic diversification.

Currently, residential neighborhoods are emerging in and near PDR areas, such as Florida Avenue Market, Ivy City, Edgewood and Buzzard Point. As of 2014, less than 3 percent of the District's future land use was dedicated to PDR, which is low in the context of comparable cities, such as San Francisco and Boston. ~~have come under scrutiny as developers have run short of more-favorably located sites. This is particularly true around the New York Avenue Metro station, but is also the case on the New York Avenue industrial corridor and in other industrial areas such as Blair Road and Buzzard Point. Although Washington has never been an "industrial" city, it still grapple with how much~~

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~~industrial land it can afford to lose before basic support services and municipal government functions are impaired (see “Industrial Land Use Study)~~ Due to this limited supply, the District recognizes the importance of PDR uses, which facilitate economic dynamism and support the delivery of municipal and other services. These areas are a limited resource that is important to many facets of the District’s economy and they should continue to serve the needs of the city. 711.2

See also the Environmental Protection Element for information pertaining to Environmental Justice and the Urban Design Element for information pertaining to buffering PDR facilities.

NEW

Callout Box: PDR uses are emerging in the District. For example, in 2018 the District formed a partnership with Ford Autonomous Vehicles to pilot test autonomous vehicle technology and begin training the workforce to support this new type of mobility. The partnership with Ford will develop a base of vehicle operations and maintenance in the District and establish a training program through the DC Infrastructure Academy to prepare residents for new jobs that will come with the broader introduction of autonomous vehicles. This partnership exemplifies how new types of technology-based businesses may transform PDR lands.

711.3

Callout Box: Ward 5 Industrial Land Use Transformation Study

In ~~2005~~ 2014, the DC Office of Planning commissioned a detailed study of the city’s industrial lands from a land use, economic, and market perspective. This work included:

- Outreach to industrial land use stakeholders, community engagement ~~A survey of existing industrial tenants, and~~ field surveys and mapping of land use patterns and physical characteristics of each industrial area
- An opportunities and constraints analysis of ~~each~~ the Ward 5 industrial sub-areas ~~area~~ based on outreach and analysis ~~the field-surveys and mapping~~
- An economic analysis of the role that PDR businesses and jobs play in the DC economy
- ~~Development of evaluation criteria for rezoning requests~~ Identification of best practices and recommendations for key industries and submarkets.

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~~Based upon a detailed demand analysis, the study found that DC currently requires 70 acres of additional land in which to house its municipal industrial functions alone.~~ The study also found that there is a limited supply of ~~this type~~ **PDR land for municipal use** ~~of land~~, and that much of the District's industrial land is either undevelopable **because it supports infrastructure, such as water treatment and transportation infrastructure**, has been rezoned **to include housing and other incompatible uses**, or **is becoming more valuable than many users can afford as the demand for PDR lands persistently exceeds supply** ~~is under significant development pressures~~

The study provided ~~future land use~~ recommendations regarding where industrial land should be preserved ~~and where it may be rezoned~~ **and how to better integrate PDR uses with residential communities by applying state-of-the-art environmental mitigation systems and well-designed buffers to reduce nuisances.** Two ~~groups~~ ~~tracks~~ of recommendations are provided. The first ~~group~~ **are policy recommendations** ~~emphasizes strategies to that~~ provide **guidance and appropriate standards and** protections for PDR businesses ~~where continued PDR use is appropriate~~. The second ~~group~~ **are place-based strategies for** ~~consists of policy responses such as Industrial Business Improvement Districts, contracting assistance~~ **nuisance abatement, municipal uses and industrial parks community amenities. all of which are intended to** ~~Together, these recommendations provide clear expectations for how industrial facilities should be constructed and operated to minimize and offset adverse impacts on residential areas. These recommendations shape policies that balance the District's need for industrial business and municipal services with community needs~~ ~~promote business development and growth in the PDR sectors~~

711.5

*Policy ED-2.5.1: ~~Industrial Land Retention~~ **Retain and Transform Areas for Production, Distribution and Repair***

Retain ~~an adequate~~ **the areas designated for PDR on the Future Land Use Map** ~~supply of industrially zoned land in order~~ to accommodate the production, ~~warehousing, distribution, and repair~~ ~~light industrial, and research and development~~ activities, which sustain the local economy, support municipal services, and provide good employment opportunities for District residents. **This should be guided by The Ward 5 Works, Industrial Land Transformation Study's recommendations for existing PDR areas. The citywide application of these recommendations will help diversify the District's economy and reduce negative impacts on adjoining neighborhoods.** 711.5

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- 711.6 *Policy ED-2.5.2: Retaining Areas for High-Density PDR Activities ~~Heavy-Industry~~*
Retain areas for high-density PDR activities that host essential uses, such as municipal services and utilities. These areas include properties zoned PDR-4. Users of these areas must minimize any adverse impacts on adjacent areas with more restrictive land uses. ~~Ensure that basic manufacturing (M-zoned) land is retained within the District to support the heavy industries that are essential to the local economy, such as concrete and asphalt batching plants and waste transfer facilities.~~ 711.6
- NEW *Policy ED-2.5.3: Transform, Improve and Consolidate Industrial Municipal Operations*
The District will be a leader in the transformation and improvement of PDR areas through proactive facility maintenance and by advancing cutting-edge solutions to municipal operations. An example is the planned West Virginia Avenue Public Works Campus, which significantly reduces adverse impacts while increasing the sustainability and resilience of public works operations. Additionally, where it is possible, support larger, attractively designed buffers to nearby residential areas.
- NEW *Policy ED-2.5.4: Support for PDR Areas*
Support business attraction, business retention and technical assistance targeted toward PDR areas. Partner with stakeholders to develop and implement initiatives.
- NEW *Policy ED-2.5.5: Improve Environmental Stewardship*
Improve the environmental performance of PDR areas by capturing and treating stormwater on site; generating renewable energy onsite, implementing energy efficiency upgrades; and improving air quality.
- NEW *Policy ED-2.5.6: Workforce Development*
Encourage PDR businesses and training programs to link unemployed and underemployed residents to career pathways. PDR industries are particularly effective entry-level jobs for hard-to-employ populations.
- NEW *Policy ED-2.5.7: Abating Nuisance*
Improve the relationship between PDR businesses and nearby residential communities by encouraging nuisance abatement through techniques, such as creating larger and more attractively designed buffers, sound reduction,

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emissions reduction, and creating amenities for residents through art, creative uses, retail and other services.

711.7

Action ED-2.5.A: Industrial Business Improvement Districts

~~Consider~~ **Explore** the formation of an Industrial Business **Association Improvement District (BID)** ~~along the New York Avenue corridor to coordinate development activity,~~ **to** promote industrial tenant attraction and retention, ~~and improve the functionality of the corridor as a viable industrial area.~~ 711.7

NEW

Action ED-2.5.B: Municipal PDR Needs Study

Explore a study to gain a better understanding of the District's long-term real estate needs for municipal PDR functions. These functions include: waste management, fleet storage, fleet maintenance, and infrastructure operations. The study should consider opportunities for co-location and the consolidation of municipal uses.

See also Land Use Element Section LU-3.1 for additional policies and actions related to Industrial land retention.

NEW

Action ED-2.5.C: Siting of Food Aggregation, Processing and Production Facilities

Explore the feasibility of developing food hubs, central storage, and community kitchens to expand healthy food access, federal nutrition program participation, and economic opportunity in under-served areas. These sites should be co-located whenever possible with job training, business incubation, and entrepreneurship programs.

NEW

Action ED2.5.D: Assess Innovations in PDR Uses

Explore how emerging trends in PDR uses, such as vertical distribution facilities, one hour delivery, autonomous vehicle fleets and maker businesses are adapting to changes in urban PDR real estate markets.

712

ED-3 Supporting the Neighborhood Business Environment 712

712.1

The distinct characteristics of many of the District's neighborhoods are expressed in their local shopping areas. Neighborhood business districts often reflect the ethnic heritage, building patterns, and architectural and social history of the communities that surround them. They provide places to interact with neighbors, and in many cases, a public domain with active street life and character. 712.1

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712.2 From an economic development standpoint, the District's neighborhood shopping areas generate property and sales taxes, provide jobs, and meet local needs for goods and services. The economic health of these areas varies widely across the city. In shopping districts that are thriving, the city ~~will~~ promotes: continued patronage, variety **among retailers**, and **high-quality goods and services**, while addressing issues such as ~~parking~~ **access for suppliers, customers, and employees**, and aesthetics.

In shopping districts that are struggling, ~~Washington, DC promotes a more-strategic decisions must be made, taking into account the long-term viability of each area.~~ A range of solutions —including ~~phasing out obsolete commercial concentrating retail~~ areas **and converting some retail spaces to office or services uses in favor of new uses, like housing such as co-working** —~~may be needed~~ to address chronic challenges such as boarded up storefronts, concerns about public safety, and **difficulty competing with stronger commercial districts.** ~~a lack of access to financing.~~ 712.2

NEW

Small and local businesses have demonstrated strong capacity for anchoring community revitalization, which has been amplified through initiatives, such as *Made In DC* and *DC Main Streets*, which have helped propel resurgence in the retail economy. However, many formerly stable retail districts have experienced market position shifts from regional-serving toward neighborhood-serving as retailing has strengthened downtown and expanded eastward since 2006. To address challenges and target opportunities in retail submarkets, the District has conducted a series of studies including the *Retail Action Strategy* and *Vibrant Retail Streets Toolkit* in addition to the *Great Streets* program that provide strategic guidance for the city, retailers and community partners.

713 ED-3.1 Strengthening **Retail Districts** ~~Neighborhood Commercial Centers~~ 713

713.1 Part of growing an inclusive city involves improving access to basic goods and services for residents in all parts of the city. Currently, some areas of the District lack basic amenities such as grocery stores, hardware stores, drug stores, and dry cleaners. In other parts of the city, these services exist but they are poorly sited and do not provide the sense of community identity that they could. 713.1

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- 713.2 ~~Recently,~~ Commercial districts such as 14th and U Street NW have re-emerged as walkable shopping areas, with new development reinforcing the traditional pedestrian pattern. Other commercial districts have not fared as well. This is especially true along long arterial streets, and in neighborhoods where certain commercial uses are in oversupply ~~-or are causing problems.~~ The ~~future~~ market feasibility of each commercial area ~~should be~~ is evaluated based on a number of factors, including architectural design and character, lot and block patterns, property ownership, surrounding uses, market competition, community support, accessibility, traffic and parking, and the mix of existing businesses. 713.2
- 713.3 To sustain viable commercial centers, it is essential that the city provide the police and fire protection, street and sidewalk maintenance, lighting, sanitation, and code enforcement services necessary to ensure the health and safety of merchants, residents, and shoppers. ~~Transit and parking~~ Transportation accessibility improvements are particularly important to increasing retail districts' customer bases while ~~improve access and~~ minimizing neighborhood disruption. The District operates ~~is currently implementing~~ a number of programs with these objectives. For example, the Great Streets initiative is ~~focusing on capital improvements such as street lighting and tree planting~~ a multi-agency commercial revitalization initiative to support existing small businesses, attract new businesses and transform emerging corridors. Additionally, the ~~Restore-DC Main Streets~~ program supports ~~is focusing on~~ small business development ~~and~~ through technical support. 713.3
- 713.4 Ultimately, the success of each neighborhood commercial district will depend on private investment, ~~and~~ cooperation among merchants and property owners, and consumer support. Community ~~development corporations~~ based organizations including Main Streets and business improvement districts ~~can~~ assist through the services they provide and the local business enterprises they support. The government assists ~~city can assist~~ by providing technical assistance, financial incentives, and support to merchant associations, and by coordinating its revitalization programs with those of the private and non-profit sectors. 713.4

See the Framework Element (Generalized Policy Map) for a discussion of the District's commercial centers, including neighborhood centers, multi-neighborhood centers, regional centers, and Main Street mixed use corridors.

See the Land Use Element for a discussion of the District's land use and

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development policies in neighborhood business districts.

- 713.5 *Policy ED-3.1.1: Neighborhood Commercial Vitality*
Promote the vitality and diversity of Washington's neighborhood commercial areas by retaining existing businesses, attracting new businesses, **supporting a strong customer base through residential density**, and improving the mix of goods and services available to residents. 713.5
- See the Housing Element for a discussion on the District's housing policies.**
- 713.6 *Policy ED-3.1.2: Targeting Commercial Revitalization*
Continue to target government economic development programs to areas of greatest need, including older business areas **with high vacancy rates** and commercial centers that inadequately serve surrounding areas. Focus on those areas where the critical mass needed to sustain a viable neighborhood commercial center can be achieved. 713.6
- 713.7 *Policy ED-3.1.3: Commercial District Associations*
Encourage business improvement districts, merchant associations, Main Street organizations, and other commercial associations that enhance economic development and commercial revitalization efforts, particularly in underserved and/or rapidly gentrifying neighborhoods.
- 713.8 *Policy ED-3.1.4: Assistance for ~~CDCs~~ **Community-Based Development***
Encourage a network of active and effective ~~community development-~~
~~corporations (CDCs) and similar~~ neighborhood-based **economic community**
development ~~groups~~ **organizations**. The District should assist ~~CDCs and similar~~
these organizations in acquiring the necessary technical and financial skills to participate in neighborhood revitalization projects. It should integrate the work of such groups into the city's overall planning and economic development initiatives. 713.8
- 713.9 *Policy ED-3.1.5: **Leveraging Private Investment** ~~Public-Private Partnerships~~*
Leverage **public resources to attract** ~~the expenditure of public funds to produce~~ private sector investments **through techniques**, including **ground leases, design build contracts, maintenance and operations agreements, licensing agreements, and** joint development on publicly-owned land and redevelopment in areas considered to be high risks by investors. Support the involvement of local

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community development corporations in commercial development and revitalization efforts within these areas. 713.9

- 713.10 *Policy ED-3.1.6: Revitalization Planning*
Link commercial revitalization strategies to capital budget priorities and larger neighborhood and transportation investment plans, including programs to improve transit to neighborhood centers. 713.10
- 713.11 *Policy ED-3.1.7: Community Equity Investment*
Provide opportunities for community equity investment in local economic development projects. This may include methods of business financing that provide District residents with greater opportunities **to acquire** ~~for~~ equity shares in new development. 713.11
- 713.11a *Policy ED-3.1.8: Neighborhood Retail District Identity and Promotion*
Brand the distinct character of retail districts through signature promotional events, signage, streetscape, and district gateways. ~~as well as building~~ **Additionally, encourage** unique **retail** clusters where appropriate.
- 713.12 *Action ED-3.1.A: Neighborhood Commercial Revitalization*
Expand commercial revitalization programs such as tax increment financing, Great Streets, and the ~~District's~~ **DC** Main Streets program to include additional commercial districts, particularly in the northeast and southeast quadrants of the city. **Use the commercial revitalization programs to increase the stability of small and locally owned businesses by helping them adapt to demographic and market changes.** 713.12
- NEW** ***Action ED-3.1.B: Integrating Cultural Events and Neighborhood Commercial Revitalization***
Promote the vitality and diversity of the city's neighborhood commercial corridors through heritage and cultural tours, festivals and other events.
- See also The Arts and Culture Element for additional information on placemaking. ~~Action ED-2.2-A on the Retail Action Agenda.~~*

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- 714 ED-3.2 Small and Locally-Owned Businesses 714
- 714.1 Small goods and services businesses are an important part of what makes the District's neighborhood commercial areas work. They provide full and part time employment opportunities for city residents and contribute to the city's tax base. They help sustain the diversity of neighborhood shopping areas, and enable the marketplace to respond to changing business conditions and consumer preferences. ~~It is the~~ **The** city's small business proprietors ~~that~~ have initiated many of the District's commercial revitalization efforts, driven by a desire and commitment to upgrade their businesses, properties, and neighborhoods. 714.1
- 714.2 Approximately ~~95~~ **98** percent of the businesses in the District ~~had~~ **have** fewer than ~~500~~ **50** employees **in 2015**. ~~While~~ **These** businesses ~~represented 47~~ **represent just 34** percent of the District's private sector jobs; **and** they are an essential part of the city's economic base. Sectors with high numbers of small businesses include construction, wholesale trade, retail trade, and food services. In fact, the average retail business in the city has about ~~10~~ **12** employees and the average food service business has ~~17~~ **22** employees. 714.2
- 714.3 The success of small businesses in these sectors and others is particularly important in the city's economically distressed communities. Small businesses in these areas can catalyze neighborhood renewal and provide local jobs. The availability of working capital and other forms of financial and technical assistance is important to promote their success. 714.3
- 714.4 One of the potential downsides of revitalization is the loss of small businesses as ~~national chains move in~~ **the cost of retail space increases beyond what many business models can support in the face of growing demand from new types of businesses, such as fast casual restaurants that generate particularly high-levels of revenue**. This can ~~also~~ result in the replacement of basic services with ~~high-end~~ specialty **shopping retail and dining** that is not affordable to **as** many residents. The District recognizes that neighborhood shopping areas should evolve in response to changes in consumer tastes and preferences, but it also recognizes the importance of avoiding displacement and economic hardship for the businesses that have anchored our city's shopping areas for years. 714.4
- 714.5 New programs may be needed to ~~reduce "commercial gentrification"~~ **increase opportunities for residents to own businesses in thriving commercial areas.** ~~in the future.~~ Measures ~~should~~ **could** include ~~but not be limited to~~ income and

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property tax incentives, assistance to commercial tenants seeking to purchase their buildings, commercial land trusts (which buy local commercial space and hold it in perpetuity for the benefit of the community), and relocation assistance programs for displaced business. Zoning strategies, such as ~~limits on the size of businesses or the length of street frontage, and~~ tying zoning relief (variances, etc.) to ~~explicit requirements for~~ the preservation of local serving small businesses should also be considered ~~businesses also should be included~~. There are also federal programs like the HUBZone (Historically Underutilized Business Zone), Small Business Administration Loans that can support local entrepreneurs. Additionally, entrepreneurship training programs can help residents develop successful enterprises that have forward-looking business models that can become the next generation of local businesses that anchor communities.

714.5

NEW**Callout Box: Employee Owned and Controlled Businesses**

Employee owned and controlled businesses, such as worker cooperatives are one form of small business ownership that produces an array of economic benefits for low-income communities that can effectively reduce economic disparity on a long-term basis. Employee owned and controlled businesses tend to provide higher wages, more opportunities for skill development, greater job stability and better benefits. This type of business is a proven community development practice that can help build economic equity by promoting living wages and reducing income inequality.

Promoting employee owned and controlled businesses is an opportunity to build community wealth and support workforce development in concert with other programs to continue building an inclusive city. Connecting prospective employee owned and controlled businesses with small business financing programs can improve the successful creation, implementation and expansion of worker cooperatives.

714.6

Policy ED-3.2.1: Small Business Retention and Growth

Encourage the retention, development, and growth of small and minority businesses through a range of District-sponsored promotion programs, such as Made in DC and 202 Creates as well as through technical and financial assistance programs. 714.6

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- 714.7 *Policy ED-3.2.2: Small Business Incubators*
Support small business incubators that provide space for lease to small and emerging businesses at low-cost with flexible terms paired with business development advisory services.
~~Provide low-cost rental space (“incubators”) for small, home-grown businesses and start-up companies, particularly companies that are responsive to technological and economic innovation in the marketplace. A variety of spaces should be considered for business incubators, including vacant storefronts and surplus public buildings.~~ 714.7
- 714.8 *Policy ED-3.2.3: Access to Capital*
 Expand access to equity, debt capital including small business loans and lines of credit, long-term debt financing, ~~and small business loans and grants for small and medium-sized~~ businesses to support new and expanded business ventures. These tools should be used to leverage private investment in ~~façade~~ facility improvements, ~~new and expanded business ventures~~, streetscape improvements, and other ~~outcomes~~ investments that help revitalize commercial districts and generate local jobs. 714.8
- 714.9 *Policy ED-3.2.4: ~~Large Business~~ Partnerships with Major Employers*
 Promote collaborations and partnerships between small businesses and the District’s major employers to increase contracts for small and disadvantaged businesses, including federal outsourcing contracts, creating new training opportunities, leveraging corporate social responsibility initiatives, or otherwise collaborating on inclusive economic growth initiatives. 714.9
- 714.10 *Policy ED-3.2.5: Innovation in Emerging Cross-Cutting Industry Clusters*
~~Technology Transfer and Innovation~~
 Support ongoing efforts by the District’s colleges and universities to promote ~~technology transfer and~~ innovation in emerging fields., ~~and~~ Provide technical and financial assistance to help local entrepreneurs and small businesses with an emphasis on the impact economy, smart cities, professional services innovation, hospitality innovation, security technology as well as data science and analytics. These efforts should include small business “clinics” , incubators, and ~~small business~~ course offerings at institutions of higher education. These efforts should emphasize opportunities to serve women minorities and low-income residents. 714.10

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- 714.11 *Policy ED-3.2.6: Commercial Displacement*
~~Avoid~~ **Mitigate** the **risk of** displacement of small and local businesses due to rising real estate costs. **Consider** programs ~~should be developed~~ to offset the impacts of rising operating expenses on small businesses in areas of rapidly rising rents and prices. **Also consider enhanced technical support that helps long-standing businesses grow their revenues and thrive in the strengthening retail economy.** 714.11
- 714.12 *Policy ED-3.2.7: Assistance to Displaced Businesses*
 Assist small businesses that are displaced as a result of rising land costs and rents, government action, or new development. Efforts should be made to find locations for such businesses within redeveloping areas, or on other suitable sites within the city. 714.12
- 714.13 *Policy ED-3.2.8: ~~LSDBE~~ Certified Business Enterprise Programs*
 Expand opportunities for local, small, and disadvantaged business enterprises through ~~city~~ programs, incentives, contracting requirements, and other activities. 714.13
- 714.14 Callout Box: Small and Minority Business 714.14
 Minority business enterprises represent an important **subset** of small businesses in the city. Their growth and expansion remains a particularly high economic development priority. The ~~District has established a Small Business Development One-Stop satellite center in the Department of Employment Services headquarters~~ **DC Business Center is a one-stop online center for information, regulatory + and making payments, in partnership with the DC Minority Business Development Center. The DC Business Center along with DSLBD's Center for Entrepreneurial Education and Development provide unified information from key agencies including the Department of Consumer and Regulatory Affairs (DCRA) and the Alcoholic Beverage Regulation Administration (ABRA).** ~~The partnership focuses on enhancing the performance and profitability of minority business enterprises and provides an important resource for minority business recruitment, seminars, business skill enhancement, incubation services, networking events, and pro bono counseling~~
- NEW** *Policy ED-3.2.8: Employee Owned and Controlled Businesses*
Support the creation and advancement of employee owned and controlled businesses. Consider techniques such as public funding to support the formation of cooperatives; prioritizing worker cooperatives in competitive

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contracting and procurement opportunities; aligning preferences for cooperatives with workforce and economic development initiatives; training partnerships with workforce development programs; and providing technical assistance including financial and legal services.

NEW

Policy ED-3.2.9: Local Business Operational Planning

Promote the development of business operational plans to assess and build capacity of local businesses to prepare for, withstand, operate and recover from identified threats and risks. The intent of business continuity plans is to implement safeguards and procedures that minimize disruptions during and after disasters and to eliminate threats that can jeopardize the financial solvency of the small business.

NEW

Policy ED-3.2.10: Small Business Capacity Building

Promote capacity building for small businesses that expand awareness of financial management, strategic planning, inventory management, legal requirements and risk management, and proven marketing techniques. Expanding awareness of these techniques will help small and local businesses grow along with the District's economy.

714.15

Action ED-3.2.A: Anti-Displacement Strategies

Complete an analysis of alternative regulatory and financial measures to mitigate the impacts of ~~“commercial gentrification”~~ **demographic and economic market changes** on small and local businesses. Measures to be assessed should include but not be limited to **technical assistance, building purchase assistance,** income and property tax incentives, historic tax credits, direct financial assistance, commercial land trusts, relocation assistance programs, and zoning strategies such as maximum floor area allowances for particular commercial activities. 714.15

714.16

Action ED-3.2.B: Business Incentives

Use a range of financial incentive programs to promote the success of new and existing businesses, including ~~enterprise~~ **Historically Underutilized Businesses Zones, the Inclusive Innovation Fund, Certified Business Enterprise** ~~minority-business set asides,~~ loans, ~~and~~ loan guarantees, low interest revenue bonds, federal tax credits for hiring District residents, and tax increment bond financing. 714.16

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- 714.17 *Action ED-3.2.C: ~~Shopsteading Program~~ **Temporary Retail***
~~Investigate the feasibility of a shopsteading program that~~ **Support temporary retail opportunities that** would enable entrepreneurs and small businesses to open a shop in ~~currently~~ vacant ~~or abandoned~~ commercial space at ~~greatly~~ reduced costs. 714.17
- 714.18 *Action ED-3.2.D: Small Business Needs Assessment*
 Conduct an assessment of small and minority business needs and **impact evaluations of** existing small business programs in the District. The study should include recommendations to improve existing small business programs and to develop new programs as needed **that are performance-based.** 714.18
- 714.19 ~~*Action ED-3.2.E: Best Practices Analysis*~~
~~Analyze what other cities have done to encourage and foster their small business sectors, including the development of business parks and incubators. Use this best practice information to inform District policy.~~ **Completed – See Implementation Table** 714.19
- NEW** *Action ED-3.2.F: Neighborhood Commercial District Resilience Toolkit*
Create a toolkit that builds on the Vibrant Retail Streets Toolkit to provide community based economic development organizations tools to navigate changing markets. The toolkit will help organizations identify and leverage public space assets, build market strength, apply creative placemaking, and implement temporary uses.
- NEW** *Action ED-3.2.G: Study Employee Owned and Controlled Businesses*
Evaluate employee owned and controlled businesses’ potential for inclusive economic growth. Research could include identifying successful programs and assessing the feasibility of support for employee owned and controlled businesses through startup funding, technical assistance, and legal support.
- 715 ED-4 Increasing ~~Access to Employment~~ **Economic Equity** 715
- 715.1 At the heart of **Washington, DC’s** ~~an~~ economic development **strategy agenda for the District** is ~~the~~ **a goal to create** ~~need to create~~ good quality jobs ~~and~~ **with livable** wages **and good benefits that are filled by** ~~for District~~ residents. “Quality” jobs should offer stable employment with opportunities to advance. By improving the District’s educational system and job readiness programs, more residents will participate in the workforce **and unemployment will decrease.**

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~~and the benefits of a stronger and more~~ **By taking these steps, the District can build a more equitable economy** ~~diverse economy can be more widely realized.~~

715.1

715.2 According to employment projections prepared by the Department of Employment Services (DOES), ~~over half~~ **61 percent** of the jobs to be created by ~~2012~~ **2026** will require a bachelor's degree or better. District students need to be equipped with the education needed for these jobs so they can fully participate and benefit from economic growth. 715.2

715.3 ~~In addition,~~ **The need to improve occupational skills, job training, and job placement** ~~in the city~~ is clear. ~~Although~~ **In 2017,** the region's ~~3.2~~ **3.8** percent unemployment rate in ~~2005~~ was lower than other comparable regions; ~~and but~~ its job growth rate of ~~2.3~~ **1.4** percent was ~~the best~~ **one of the slowest among large metropolitan regions. Together, these statistics indicate that the region's economy is operating efficiently but at a low-growth rate that reduces opportunities for residents who are not currently in the labor force.** ~~—in the nation,~~

The District itself lags in key employment indicators. Its unemployment rate has been several percentage points above the region's, and often ~~twice it is more than~~ **50 percent** ~~as high~~ **higher. Additionally, its labor force participation rates for residents that have not graduated from college are thirty to forty percent lower than college graduates. Labor force participation is important because the unemployment rate is drawn from residents who are in the labor force. Together, these figures show that in 2015, 55 percent of adult residents whose highest level of educational attainment was a high school diploma were not employed while only 18 percent of college graduates were not employed. These indicators show that the District's residents have significant differences in their employment prospects.** ~~As shown in Figure 7.3, since 2000—the District has seen the peculiar trend of job growth coupled with rising unemployment.~~ 715.3

715.4 **To address these issues,** comprehensive action is needed on multiple fronts ~~to address the issue of~~ **to increase employment particularly among residents with lower levels of educational attainment who are significantly more likely to be from historically underserved communities.** ~~long-term unemployment.~~
Continued efforts are needed to improve education, job training, and job readiness so that residents are equipped with the education and skills necessary to enter and

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remain in the workforce in jobs and careers that provide sufficient wages. Job readiness requires more than just reading, writing, and arithmetic skills; it also requires essential life skills—so-called “soft skills”, such as problem-solving, interacting with others, behaving responsibly, and organizing time effectively.

715.4

- 715.5 There is also a need to recognize that many of the job opportunities potentially available to District residents are located outside the city. In fact, ~~nine in ten~~ **82 percent** of the new jobs **that are likely to be** created in metropolitan Washington **between 2015 and 2035** ~~during the next 20 years~~ **are forecast to be in the** ~~will-be-in-the~~ suburbs. Many of these jobs will be service, repair, sales and clerical positions suitable for entry-level employees or employees without advanced degrees. Thus, an important part of improving access to employment is improving access to the region’s job centers. 715.5

NEW

Economic equity can be built with greater access to career pathways. This access can be achieved through skill development and education programs that are tailored to the needs of growth industries with career pathways. These pathways link advancement to experience and skill development enabling employees to earn increased levels of compensation as they progress. Some career pathways require higher levels of educational attainment to access, while others feature opportunities for on-the-job training or progressive certifications. Over time, education programs, workforce development programs and investments in economic equity are expected to increase labor force participation and career opportunities for residents.

- 716 ED-4.1 Linking Education and Employment 716

- 716.1 The District **is making progress toward improved educational outcomes, but the city** continues to face serious challenges with respect to literacy, high dropout rates, low test scores, **truancy**, and poor student performance. ~~In 2005, the District’s State Education Office reported that 37 percent of the District’s residents functioned at or below a third-grade reading level. Nearly 75,000 District adults lacked a high school diploma or equivalent. By 2017, the number of District adults lacking high school diplomas or equivalents had declined from nearly 75,000 in 2005 to just over 48,000. Many of these individuals do not possess the skills that District jobs require—as a result, non-residents acquire most local jobs and residents do not.~~ **However, job seekers without a high**

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school diploma significantly and persistently outnumber employment opportunities at that educational level, which contributes to increased economic vulnerability among District residents with the lowest levels of educational attainment. Looking forward, one of the District's most significant economic development ~~challenges~~ opportunities will be to improve its educational system to ensure that District residents obtain the skills necessary to secure and keep good jobs, especially in high-growth occupations. ~~The city's literacy and educational deficiencies pose perhaps the greatest obstacle of all to achieving the vision of a more inclusive city.~~ 716.1

NEW

This opportunity includes higher education, which is required for many of the best paid career pathways. In order to increase economic equity, the District and its educational stakeholders must continue to close the literacy and education gaps that have inhibited many District residents from attaining higher levels of educational attainment and obtaining many of the city's plentiful good jobs.

716.2

As noted in the Educational Facilities Element of this Plan, the District's public schools have implemented ~~are in the midst of~~ extensive reforms to improve curricula and upgrade the learning environment. Still, more ~~More~~ far-reaching efforts ~~may be~~ are needed to create a supportive environment for learning outside the classroom, including strengthening services for families and resources for parents. Early childhood learning and development are ~~is also~~ critical, ensuring that the city's youngest residents have healthy, stimulating, and supportive pre-school years. It is also important to support adult learning and higher education programs that create pathways to opportunity, including those that can empower older residents to increase their skills and education to better connect with workforce opportunities. 716.2

716.3

In addition to strengthening basic curriculum and improving teacher quality, the District will support further efforts by the ~~Board of Education-DC Public Schools (DCPS)~~ and Public Charter Schools ~~School Boards~~ to create career oriented curriculum ~~vocational and magnet schools~~. Through its Career ~~Technical Education Department~~ Readiness Institute, DCPS has ~~already~~ launched 12 ~~19~~ Career Education Programs ~~academies~~ in ~~its senior~~ 16 high schools as of 2017. The programs ~~academies~~ provide distinct learning experiences, in some cases through business sponsorships, and give students a fast track into their chosen career. They emphasize achievement and performance, and encourage students to actively apply their skills and talents. 716.3

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716.4 Although the work environment in the city is perpetually changing, it appears certain that living wage jobs in all industries will require higher skill levels in the future than they have in the past. ~~Notably absent from the list of high growth occupations are those that simply require a high school diploma or equivalent.~~ The District's share of jobs requiring post-graduate secondary education ~~is already triple the national average~~ is among the highest in the nation at 70 percent, which is expected to increase to 76 percent by 2020. ~~(9.9 percent compared to 3.3 percent).~~ Conversely, positions requiring only a high school diploma currently represent ~~41~~ 22.6 percent of the District's jobs, compared to ~~55~~ 40 percent at the national level. These educational characteristics are similar to the region's occupational breakdown; the District's workforce development programs can also help increase residents' competitiveness for jobs regionally. 716.4

716.5 ~~It is clear that the~~ The District's evolving economy ~~"new economy"~~ is bringing requires with it new increasingly advanced skills and knowledge, such as computer literacy, social media communications and data analysis requirements. Developing and implementing a 21st century workforce curriculum will be essential to meet these requirements. Although it may take years to completely close the city's educational gap, the District and all of its workforce development partners are committed to a more comprehensive and integrated workforce preparation system moving forward. This will require more resources for adult education, certificate and associate programs, ~~and the~~ a strong University of the District of Columbia, related workforce programs, and tighter integration and coordination with DCPS and DCPCS enhanced by public-private partnerships with colleges and universities, as well as resources for our K-12 schools. 716.5

See the Educational Facilities Element for additional policies and actions related to providing higher education ~~educational facilities in every Ward~~ including ~~the desire for an~~ east of the Anacostia River ~~higher education campus.~~

716.6 *Policy ED-4.1.1: Educational Improvements*
Continue collaborative efforts with the District of Columbia Public Schools and DC Public Charter School Board ~~organizations~~ to improve the quality of public education, increase graduation rates, ~~reduce the dropout rate,~~ and improve basic competency and skill levels among District youth. Every District child should

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~~have be guaranteed~~ a safe and productive learning environment that promotes academic and personal achievement. 716.6

- 716.7 *Policy ED-4.1.2: Career-Oriented Curriculum*
~~Encourage the DC Public Schools and Public Charter Schools to continue to provide career magnet campuses, such as McKinley Technology High School and Marriott Hospitality Charter School. Engage employers to sponsor schools and school programs. These efforts may include input from industry leaders regarding curriculum design and program validation at both magnet and traditional schools. District government will advocate on behalf of its residents for expanded vocational training within its public schools.~~ 716.7

- 716.8 *Policy ED-4.1.3: Certification and Associate Programs*
Support the continued contributions of colleges and universities in providing career-building opportunities for District ~~adults~~ residents, including literacy and job training programs as well as professional certificate and two-year degree programs. The District will strongly support the University of the District of Columbia (UDC) as a public institution of higher learning, a place of continuing education, and a ladder to career advancement for District residents. 716.8

See the Educational Facilities Element for additional policies and actions related to UDC and improving access to higher education.

- 716.9 *Policy ED-4.1.4: Adult Education*
Support adult education and workforce development, career and technical training for unskilled adult workers of all ages. Continue to innovate with programs that blend adult education and basic skills remediation with occupational skills and work experience. ~~Increase and more effectively target resources for adult education and workforce development, vocational training, and technical training for unskilled adult workers.~~ 716.9

- 716.10 *Policy ED-4.1.5: Learning Outside the Classroom*
Support greater opportunities for learning and student achievement outside the classroom, including tutoring and mentoring programs by the District's major employers, non-profits, and volunteers; and a full array of after school programs. 716.10

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- 716.11 *Policy ED-4.1.6: Agency Coordination*
~~Promote~~ **Expand** collaboration between the District's education, human services, juvenile justice, and workforce development agencies to better serve the city's youth, reduce barriers to employment, and connect District students with education and training opportunities that **connect with career pathways** ~~lead to successful employment~~. 716.11
- NEW** ***Policy ED-4.1.7 Interjurisdictional Professional Licensing Agreements***
Encourage and support professional licensing boards/commissions to adopt interjurisdictional agreements that enable workers licensed in domestic jurisdictions other than the District of Columbia to reasonably obtain licensure to work in the District.
- NEW** ***Policy ED-4.1.8 Recognition of International Professional Credentials***
Provide support to professional licensing boards/commissions for establishing equivalency between District licensing standards and foreign credentials. This support enables the District's professional licensing boards/commissions to more easily credential foreign workers.
- 716.12 *Action ED-4.1.A: Master Education Plan*
Support implementation of the Master Education Plan ~~by the~~ **and the** DC Public Schools **Strategic Plan** to improve the performance of District schools and the expanded capacity of **all** DC youth to **successfully** join the future workforce **and access career pathways**. 716.12
- 716.13 *~~Action ED-4.1.B: Vocational School Development~~*
~~Support the conversion of at least five surplus DC Public School campuses to magnet or vocational high schools by 2010, with programs that prepare students for careers in the fastest growing sectors of the regional economy. **Obsolete – See Implementation Table**~~ 716.13
- 716.14 *Action ED-4.1.C: Expanded Youth Services*
Expand collaboration between the District's education, human services, juvenile justice, and workforce development agencies to better serve the city's youth, reduce barriers to employment, and connect District students with education and training opportunities that lead to career-track employment. Expand job center services to effectively serve youth customers. Additionally, continue to support the Marion Barry Summer Youth Employment Program for youths and young adults up to 24 years of age.

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~~Expand the youth services functions of the DC Workforce Investment Council, including the federal job corps program, the Mayor's Youth Leadership Institute and Summer Training Program, the DC Children and Youth Investment Trust Corporation, and the Passport to Work summer employment program.~~ 716.14

716.15 ~~Action ED-4.1.D: Youth Training Strategic Plan~~
~~Develop a strategic plan to determine needs, overall direction, and critical long- and short-term actions for the development of youth training programs targeted to the needs of local business.~~ **Completed – See Implementation Table** 716.15

716.16 *Action ED-4.1.E: Partnerships for Outside the Classroom Learning*
 Track the mentoring and tutoring programs offered by the city's institutional and non-profit organizations to better understand where there may be duplication and where there may be gaps. 716.16

NEW ***Action ED 4.1.F: UDC Certification as a Training Provider***
Ensure that UDC is fully certified to provide workforce development training that will help more District residents gain the qualifications required to reach career pathways.

NEW ***Action ED 4.1.G: Expand Job Center Services for Youth***
Expand DOES job center services to effectively serve youth customers. These expanded programs will help increase youth employment and long-term participation in the labor market.

716.17 ~~Action ED-4.1.F: Retaining College and University Students Post Graduation~~
~~Establish programs to retain graduating university students as employed District residents. This could include placement programs to match students with employment opportunities in the city, loan forgiveness, and other programs to encourage graduates to live and work in the city.~~ **Obsolete – See Implementation Table** 716.17

717 ED-4.2 Increasing Workforce Development Skills 717

717.1 A competitive and marketable workforce is crucial to the economic health of the District. Workforce development strategies must combine public and private investment and ~~initiative~~ **initiatives** to close the occupational skills ~~gap~~ **"vacuum"** that now exists in the city. The goal of these strategies should be to help District residents achieve economic self-sufficiency while providing a skilled labor pool

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that meets the needs of local employers. 717.1

717.2

The District's Workforce Investment Council (WIC) is a private sector-led thirty-two-member board responsible for advising the Mayor, Council, and District government on the development, implementation, and continuous improvement of an integrated and effective workforce investment system. Members of the WIC include representatives from the private sector, local business representatives, government officials, organized labor, youth community groups, and organizations with workforce investment experience. ~~In 1999, the District of Columbia Workforce Investment Council (DCWIC) was created to improve the skill level and employability of District residents. The Council is a public-private partnership consisting of private sector businesses, government leaders, faith and community leaders, labor leaders, educational representatives, and several DC Council members. For the last six years, DCWIC has led the charge to improve career information, counseling, job search assistance, and training.~~ 717.2

717.3

In 2016, the WIC released the District's Workforce Innovation and Opportunity Act, Unified State Plan for 2016 through 2020, also known as the WIOA Plan. This plan is required by federal law and it incorporates both strategic an operational planning to build an integrated workforce development system. The WIOA Plan details nine operational priorities that will be used to fulfill the plan's goals. They included unified client intake and tracking, integrating the Temporary Assistance for Needy Families (TANF) program into American Job Centers to improve service delivery, deploying a mobile one-stop job center, delivering improved job training, forming interagency partnerships to reduce barriers to employment, improving opportunities for youth to pursue education and career goals, developing a unified business services plan, developing a vendor scorecard to help focus funding on programs with proven outcomes, and developing interconnected education and training pathways to help residents advance within high-demand sectors. ~~A range of efforts has been launched by DC WIC in the last five years, including labor market surveys, a \$20 million Lifelong Learning Initiative, \$120 million in tax increment financing to help spur job creation in District neighborhoods, a Faith and Community-Based Initiative, various Internet applications to improve case management, and new partnerships with the private sector.~~

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~~Additionally, The the District is also about to create~~ manages a job bank Job Opportunity Bank designed to match employers with job seekers. The DC Public Library is also helping residents become more employable by expanding digital literacy with technology access and training, as well as skills and development programs.~~, with private sector funds used to provide job training programs and workforce development grants.~~ 717.3

717.4 Despite these initiatives, there is room for improvement. Some of the District's job placement and training services continue to have low success rates. From the employer's perspective, there is frustration that the reading, math skills, career readiness, and computer knowledge of residents are ~~is~~ still not at the level needed by business. ~~Some members of the business community have called for customized training to specifically address employer needs. From the resident's perspective, the administration of workforce development programs is perceived as slow and cumbersome. This is made more complicated by the myriad of agencies involved, the lack of effective monitoring, and the urgency of finding employment for those who seek assistance.~~ 717.4

717.5 Presently, the District's workforce development programs are administered through more than 20 federal and city agencies, including the District Department of Employment Services and the District Department of Human Services. Many of these programs are operated through private and ~~non-profit~~ nonprofit organizations. The District itself operates a network of ~~One-Stop Career~~ American Job Centers, each providing a range of job placement services. 717.5

717.6 The District also has created programs to support the hiring of local residents and local firms, particularly for District government contracts. For example, the First Source Program is a cooperative effort between businesses and the city to ensure that District residents have the first opportunity to apply for and be considered for jobs (see "First Source Program" text box). In addition, DC Law ~~32-1431~~ 2-156 requires contractors who perform construction and renovation work with District government assistance to initiate apprenticeship programs through the D.C. Apprenticeship Council. Construction apprenticeships offer one of the most accessible career pathways to good quality jobs. There are also programs to eliminate discriminatory hiring practices. 717.6

717.7 Callout Box: First Source Program 717.7

The First Source Agreement Program assures city residents priority for new jobs created by municipal financing and development programs. It mandates that all

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projects funded in whole or in part with District of Columbia funds, or other funds which the District administers, shall provide for increased employment opportunities for District residents.

Each employer in the program must sign an agreement ensuring that:

- All job openings created are listed with the Department of Employment Services
- 51 percent of new hires are District residents.

Employers who receive other District government benefits, such as

- Industrial Revenue Bonds, are also covered. The program:
- Provides employment opportunities for DC residents
- Provides monitoring to ensure that employers are in compliance with the law
- Helps employers hire qualified District residents
- Assists employers in meeting contractual commitments.

717.8

Pursuing the District's goal of "increasing access to education and employment" ~~is~~ also includes ~~about~~ providing opportunities for career advancement for residents. Many of the city's entry level jobs have high turnover, low job security ~~and~~, few benefits, ~~and remote possibilities for advancement. While~~ ~~However~~, these jobs ~~may~~ offer important initial employment opportunities. Additionally, workforce development programs ~~measures~~ are ~~also~~ needed to increase ~~provide~~ opportunities for upward mobility to good quality jobs and promotion. ~~Some sectors, such as~~ Workforce development programs prepare as many residents as possible for careers in industries with strong advancement opportunities including construction, health care, higher education, and federal employment. These programs in concert with the District's planning and economic development efforts help create good quality jobs that enable more residents to earn living wages that support families and enable older adults to retire. ~~may offer more promise for advancement than others.~~ 717.8

717.9

Policy ED-4.2.1: Linking Residents to Jobs

Promote measures which increase the number of District jobs held by District residents. According to the ~~2000~~ Census Bureau's Longitudinal Employer-Household Dynamics Program, 71 percent of the jobs in the city were held by non-residents in 2015, ~~up from 67 percent in 1990~~. While recognizing that some imbalance is inevitable due to the relatively large number of jobs and small number of residents in the city, the District should work to increase the percentage

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of resident workers through its job training and placement programs. 717.9

- 717.10 *Policy ED-4.2.2: Linking Job Training to Growth Occupations*
Target job training, placement, and ~~vocational~~ **career** programs towards core and growth sectors and occupations, such as hospitality, **information technology, healthcare, construction, home health aides, and computer user support specialists. Seek opportunities to link the pipeline of potential employees from workforce development programs to small locally-owned businesses.** ~~higher education, health, construction, retail, and office support.~~ 717.10
- 717.11 *Policy ED-4.2.3: Focus on Economically Disadvantaged Populations*
Focus workforce development efforts on economically disadvantaged communities, **including minority communities and** particularly those with many unemployed or marginally employed residents. Assistance should also be focused on groups most in need, including persons with limited work skills, single mothers, youth leaving foster care, ex-offenders, and persons with limited English proficiency. 717.11
- 717.12 *Policy ED-4.2.4: Neighborhood-Level Service Delivery*
Emphasize the delivery of workforce development programs at the neighborhood level. Continue neighborhood faith-based and community-based initiatives which deliver job training and placement services to unemployed and underemployed residents. **Consider programs that align with Business Improvement Districts' clean and safe teams.** 717.12
- 717.13 *Policy ED-4.2.5: Business and Labor Partnerships*
Facilitate communication and partnerships between business, labor, commercial associations, and educational institutions to improve the skill levels of the ~~District's~~ workforce, improve job training and placement resources, and improve the labor pool available to ~~the District's~~ major employers. These partnerships could result in apprenticeship programs, pre-apprenticeship programs, entrepreneurial skills training, mentorship agreements, customized on-site job training, and vocational training. 717.13
- 717.14 *Policy ED-4.2.6: Entry-Level Opportunities*
Support the creation of entry level career opportunities, particularly for lower income youth and adults, and persons with special needs. Recognize the need for complementary efforts to provide affordable child care options, transportation, counseling, and other supportive services. 717.14

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- 717.15 *Policy ED-4.2.7: Living Wage Jobs*
Promote the attraction and retention of living wage jobs that provide employment opportunities for unskilled and semi-skilled workers. Use marketing strategies and **performance-based** incentives to encourage the relocation of firms with such positions to the District. 717.15
- 717.16 *Policy ED-4.2.8: Limited English Proficiency and Literacy*
Promote collaboration between the District's education, human services, juvenile justice, and workforce development agencies to better serve the city's English Language Learners (ELL) and Limited English Proficiency (LEP) populations, reduce barriers to employment, and connect residents with education and training opportunities that lead to successful employment. Encourage English-as-a-Second-Language (ESL) programs and literacy training for residents in need of such services in order to overcome barriers to employment. ~~English-as-a-Second-Language (ESL) programs and literacy training for residents in need of such services in order to overcome barriers to employment.~~ 717.16
- 717.17 *Policy ED-4.2.9: Upward Mobility*
Encourage continuing education and career advancement programs to provide opportunities for upward mobility among the District's workforce. Encourage the growth of businesses which have been shown to provide career advancement ~~or~~ **“ladder”** opportunities for employees. 717.17
- 717.18 *Policy ED-4.2.10: Market-Responsive Programs*
Maximize the use of technology and labor market data to help District residents find suitable employment, training, and education. Examples of such applications include DOES publications such as “~~25~~ **the** Hot **Job Report** ~~Jobs~~” and the “Industry Profile Handbook.” 717.18
- 717.19 *Policy ED-4.2.11: Innovation in Training*
Support innovative training strategies to fill skill gaps in the local labor force, including partnerships with the private sector, industry associations and individual government agencies. Examples of such strategies include the Cadet Training Program of the DC Fire and Emergency Medical Services Department, **the DC Infrastructure Academy, and trade organization apprenticeship programs,** ~~and the GSA's pre-apprenticeship program for the Southeast Federal Center.~~ 717.19

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- 717.20 *Policy ED-4.2.12: Local Hiring Incentives*
Maintain requirements for resident job training and placement for projects built and/or operated with any form of public subsidy/loan, grant or other incentives. ~~Promote~~ **Support** incentives for similar training and hiring programs **for private sector facilities and businesses by the private sector through mechanisms such as community benefits agreements.** 717.20
- 717.21 *Policy ED-4.2.13: Equal Opportunity Compliance*
Enforce compliance with the DC Human Rights Act, which makes discrimination illegal based on: race, color, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, family responsibilities, political affiliation, and disability. Additionally, the law makes discrimination illegal against the following traits in some areas including: matriculation, family status, genetic information, source of income, place of residence or business, status as a victim of an intrafamily offense, and credit information.
~~Ensure compliance by private sector employers in meeting equal opportunity and affirmative action requirements for groups that are underrepresented in the District's economy.~~ 717.21
- 717.22 *Policy ED-4.2.14: Alternative Work Arrangements*
Encourage increased opportunities for alternative work schedules, such as part-time employment, flextime, **teleworking** ~~job-sharing~~, and in-home employment to accommodate the needs of working parents, and others with dependent care responsibilities or mobility limitations. 717.22

See the Land Use Element for additional policies related to home based business.
- 717.23 *Policy ED-4.2.15: Involvement of Educational Institutions*
Seek the involvement of the ~~Board of Education~~ **DC Public Schools**, the Board of Trustees of the University of the District of Columbia, **District agencies**, and other educational institutions in the planning and implementation of workforce development programs. Encourage these entities to support the District's training efforts through their basic and adult education programs. 717.23

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NEW**Policy ED-4.2.16: Digital Literacy**

Support digital literacy by improving access to technology, including providing internet access and training, through the DC Public Library system. Increased internet access and skills with technology are critical to the District's workforce development programs. Focus on the communities with the greatest need, including vulnerable populations and those with limited access to technology.

- 717.24 *Action ED-4.2.A: Alliances with External Organizations and Entities*
Use Memorandums of Understanding (MOUs) to develop alliances, networks, and other relationship building strategies that enhance the success of ~~the District's~~ workforce development initiatives. Such MOUs currently exist with organizations like the AFL/CIO, WMATA, and **PEPCO** ~~the Washington Post~~. 717.24
- 717.25 *Action ED-4.2.B: Labor Market Monitoring*
Maintain accurate data on the job market to better connect job seekers with job opportunities in high-growth, high-demand sectors. Monthly data on employment, occupation and income should continue to be compiled by **DOES**. ~~the Department of Employment Services~~. 717.25
- 717.26 *Action ED-4.2.C: Employer Needs Assessments*
Conduct annual surveys of employer needs, particularly in high growth industries. Develop new workforce development services and strategies to respond to these changing needs. 717.26
- 717.27 *Action ED-4.2.D: Outreach to Residents and Employers*
~~Improve the distribution of~~ **Distribute** information on the District's job training, skill enhancement, and job placement programs, particularly in communities with high rates of unemployment. Ensure that outreach strategies provide for persons with limited reading proficiency. 717.27
- 717.28 *Action ED-4.2.E: Workforce Investment Act*
Continue implementation of the Workforce Innovation and Opportunity Act (WIOA), including programs for job training and placement systems. Measures to improve the coordination of job training programs that strengthen the workforce development system and more effectively target resources should be identified and implemented. ~~Continue implementation of the Workforce Investment Act, including programs for coordinated, customer-friendly, locally driven job training and placement systems. Measures to improve—~~

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~~the coordination of job training programs to avoid duplication of efforts and more effectively target District resources should be identified and implemented.~~ 717.28

- 717.29 *Action ED-4.2.F: Training Program Tracking*
Track the effectiveness of job training programs. Use assessments of such programs to modify and improve them. 717.29
- 717.30 *Action ED-4.2.G: Good Best Practices Analysis Report*
Assess good practices ~~Conduct a best practices analysis of national models~~ for success in job training and readiness and use the findings ~~results~~ to evaluate and improve the District's programs. Publish a good practices guide to hiring a diverse, inclusive workforce based on successful corporate and nonprofit models. 717.30
- 717.31 *Action ED-4.2.H: Incentive Programs*
Continue to offer incentive-based programs that encourage District businesses to hire job-seekers who are disadvantaged and hard to serve.
~~Identify possible new or strengthened economic incentives that encourage District businesses to hire jobseekers that are disadvantaged and hard to serve, similar to the Work Opportunity, Welfare-to-Work, Empowerment Zone, and Renewal Community Employment tax credit programs. The feasibility of a community investment tax reduction should be explored for firms that establish major job training or retraining programs.~~ 717.31
- NEW *Action ED-4.2.I: Wages and Working Conditions*
Continue advancing programs including apprenticeships and employer training that help increase wages for lower income residents while improving working conditions.
- NEW *Action ED-4.2.J: Employment Barriers*
Continue to study the capacity, need and participation in programs that reduce barriers to employment for disadvantaged populations such as returning citizens and residents who speak English as a second language.
- NEW *Action ED-4.2.K: Improved Training*
Provide on-the-job training, customized training, incumbent worker training, and cohort-based training to promote existing employees, which produces new entry-level openings.

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NEW**Action ED-4.2.L: Increase Access to On-The-Job Training and Workforce Development**

Assess opportunities to work with government and/or private sector stakeholders to increase access to on-the-job training and workforce development through internships, fellowships, and apprenticeships. The assessment should prioritize opportunities for youth and young adults as well as older adults navigating career changes that increase economic equity by establishing career pathways.

NEW

Action ED-4.2.M: DC Housing Authority Employment Opportunities
Explore opportunities to strengthen and expand employment opportunities for low-income and very low-income residents with the DC Housing Authority and its contractors through the federal Section 3 program.

718

ED-4.3 Getting to Work 718

718.1

In ~~2000~~ **2015**, ~~28~~ **34** percent of all employed District residents worked in the suburbs. This percentage is fairly typical of large, older central cities-the comparable ~~2014~~ ~~2000~~-figures for Boston, Baltimore, San Francisco, and Philadelphia were ~~32~~**46**, ~~38~~**53**, ~~23~~**40**, and ~~25~~**39** percent, respectively. However, the figure for the District was 22 percent in 1990, indicating fairly rapid growth in the number of reverse commuters in recent years. ~~Despite~~ ~~The District's best efforts~~ **works diligently** to connect residents ~~to DC~~ with District jobs, **which produces numerous benefits for individuals and the city. Fortunately,** the city is part of a **strong** regional economy and its residents are part of a regional labor pool **where many find employment opportunities. For some occupations,** ~~Most of the~~ entry level and semi-skilled jobs ~~in this economy are located~~ in the Maryland and Virginia suburbs **can be difficult to reach.** 718.1

718.2

The District's location at the center of the regional transportation network and Metrorail system provides good access to rail-served job centers like Bethesda and Rosslyn. However, **there is limited transit service to some significant suburban employment centers, which increases financial pressure on lower-income residents who have less affordable and reliable access to employment in those areas.** ~~there are few options other than driving or long bus commutes to reach the employment centers with the fastest projected growth rates places like Reston and Fort Belvoir, Virginia, or National Harbor Gaithersburg and Konterra (Beltsville) White Oak, Maryland.~~ Even within the city, there are challenges to commuting resulting from crowded Metrorail trains and buses, congested roads,

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and costly parking for those who cannot conveniently use transit. 718.2

- 718.3 The extension of Metro rail to Tysons ~~Corner~~ and Dulles Airport will improve transit access to the region's job centers, ~~but its completion is many years away. Shorter term and less expensive~~ Other solutions to improve access to regional employment centers that are not served by Metro include, including ride-matching on-demand ride-hailing services, carpooling, and ~~vanpooling programs bus routes, and~~ shuttles, ~~to the region's job centers; and additional reverse commuter bus routes, will be needed.~~ Such solutions must be forged through regional agreements and partnerships, working through entities such as the Greater Washington Board of Trade, The Washington Metropolitan Area Transit Authority, the DC Workforce Investment Council, and the Metropolitan Washington Council of Governments. 718.3

NEW Transit-accessible housing matching the needs of the workforce is imperative. As Washington, DC continues growing, its housing market is becoming more complex, characterized by increased segmentation of the market rate and affordable housing stock. As a consequence, this increased complexity necessitates closer alignment between economic development planning, housing planning and transportation planning to ensure that growth is equitable and sustainable.

- 718.4 *Policy ED-4.3.1: Transportation Access to District Jobs*
Improve access to jobs for ~~District~~ residents through sustained investments in the ~~city's~~ transportation system, particularly transit improvements between neighborhoods with high unemployment rates and the city's major employment centers. 718.4

- 718.5 *Policy ED-4.3.2: Links to Regional Job Centers*
Continue to seek inter-jurisdictional transportation solutions to improve access between the District's neighborhoods and existing and emerging job centers in Maryland and Virginia. These solutions should include a balance between transit improvements and roadway capacity ~~highway~~ improvements. They should also include transportation demand ~~systems~~ management initiatives such as ~~shuttles~~, ridesharing, and vanpooling. 718.5

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- 718.6 *Policy ED-4.3.3: Regional Job Connections*
Support regional efforts to reduce unemployment, including partnerships with the region's major employers and programs that link District residents to jobs in fast-growing suburban employment centers. 718.6
- 718.7 *Policy ED-4.3.4: Regional Access to Central Washington*
Provide sustained investments to the District's transportation network to ensure that both District and regional workers can access the growing employment areas of Central Washington and the Anacostia Waterfront. 718.7
- 718.8 *Action ED-4.3.A: Regional Initiatives*
Actively participate in **regional employment initiatives** ~~the Greater Washington Regional—Jobs, Bridges to Work, and similar partnerships~~ that link suburban employers with city-based providers of job training and placement, transportation, child care, and related support services. 718.8

See the Transportation Element for additional policies and actions on mobility, access to employment, and commuting to jobs.

- NEW** **Action ED-4.3.B: Increasing Access to Employment**
Pursue opportunities to develop High Capacity Transit Corridors that connect low- income communities to major employment areas both in the District and region.
- NEW** **Action ED-4.3.C: Housing a Thriving Workforce**
Study how job growth and the city's economic strategy will affect demand for market rate and affordable housing to inform the development of housing strategies that can meet the housing needs of a thriving workforce.
- NEW** **Action ED-4.3.D: Align Housing and Transportation Planning Regionally**
Explore opportunities to align the District's planning and policies for housing locations and employment access with regional initiatives, such as the Metropolitan Washington Council of Government's Visualize 2045 plan.